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## Marcos Files to Be Returned

### U.S. to Provide Philippines With Financial Papers

By Jeff Gerth  
New York Times Service

WASHINGTON — Treasury Secretary James A. Baker 3d has disclosed that the Reagan administration will turn over to the Philippine government copies of about 1,500 financial documents brought to Hawaii by Ferdinand E. Marcos, according to two prominent congressmen.

Mr. Baker disclosed the administration's intentions to the House Subcommittee on Asian and Pacific Affairs on Wednesday, according to the ranking Democrat and Republican on the panel. Mr. Baker said that the documents also would be made available to the subcommittee within a few days, the congressmen said.

Representative Stephen J. Solarz, a New York Democrat who is chairman of the subcommittee, and Representative Jim Leach, an Iowa Republican and the ranking minority member of the subcommittee, praised Mr. Baker and the administration for their cooperation. The decision, according to congressional and administration officials familiar with the documents, means that investigators will obtain vital clues to unraveling the Marcos family fortune, an issue of interest in Manila and Washington.

In Manila, President Corason C. Aquino issued an order Wednesday freezing all the assets of Mr. Marcos, his wife, Imelda, and their associates. Mrs. Aquino appealed to foreign governments to take similar action.

Severina B. Rivera, a Washington lawyer representing the new Manila government, said that she had not been officially notified of the Reagan administration decision but that it was a "positive first step in assisting us in our retrieval of the ill-gotten wealth."

Before Wednesday, the administration had promised Manila only an inventory of the documents, causing Philippine officials to step up lobbying efforts to obtain copies of the papers themselves.

The Manila government has estimated that Mr. Marcos and his associates diverted as much as \$10 billion from the Philippines, an amount equal to almost 40 percent of the country's foreign debt of \$26 billion.

The subcommittee has been investigating Mr. Marcos's wealth for the past four months and Mr. Leach said, "I've gotten hints today that the material we will receive will be of interest to us."

Treasury officials had no public comment Wednesday on the decision, but one official said he expected to see the documents soon.

## U.S. Criticizes Chile's Abuse Of Rights

New York Times Service

WASHINGTON — The Reagan administration, in a reversal of policy, has criticized abuses of human rights in Chile and called on other governments to support a U.S. resolution condemning Chile's rights record.

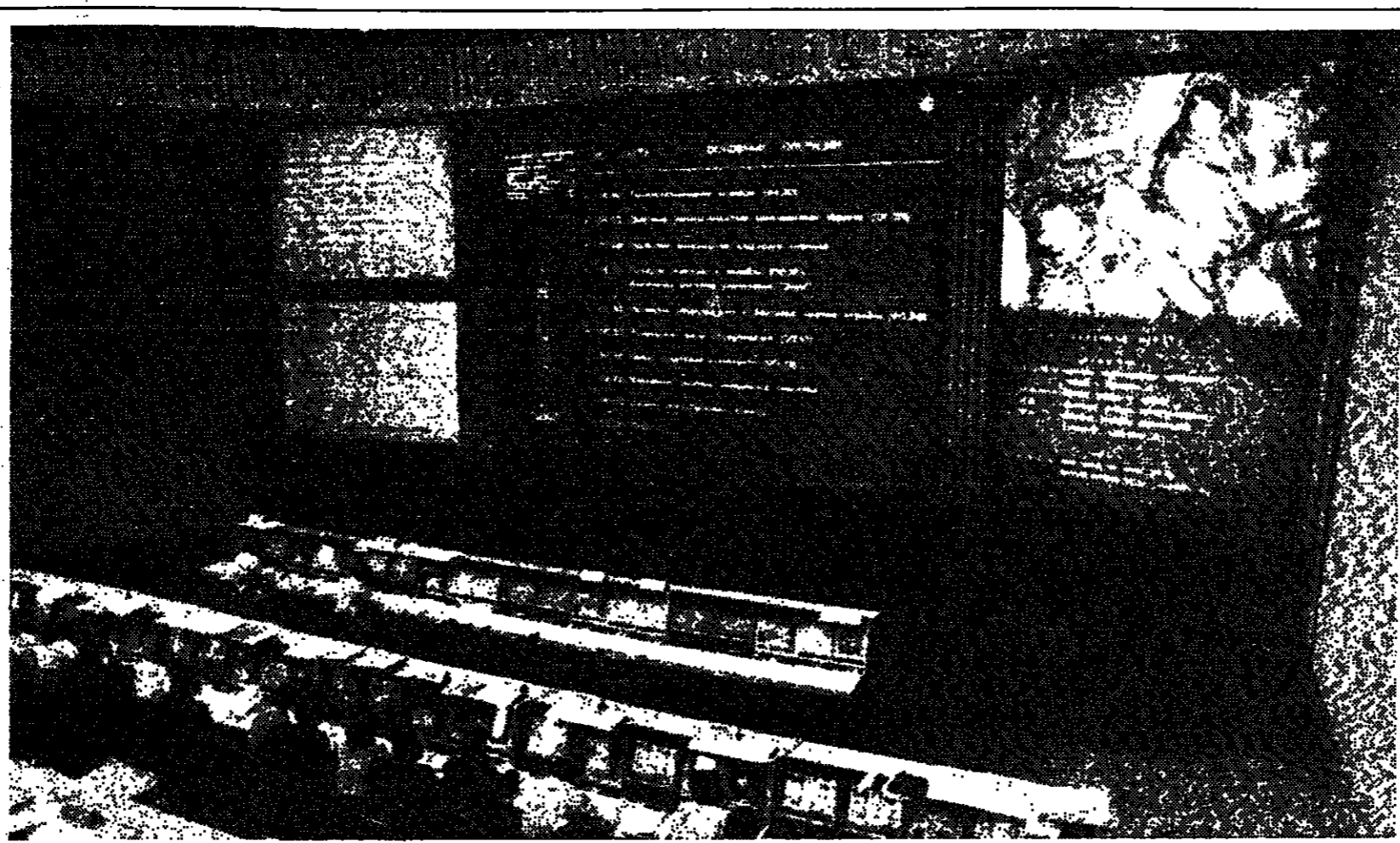
In the draft resolution submitted to the United Nations Human Rights Commission in Geneva on Wednesday, the United States urged the Chilean military government to stop killing, torturing and other abuses by security forces and private death squads. The resolution said that torture and other serious violations of human rights had continued in spite of a policy, announced last July, against both physical and psychological torture.

The draft resolution said the Human Rights Commission "notes with particular dismay the ineffectiveness of government and judicial authorities in preventing the recurrence of abuses by security forces and expresses special concern over the failure of the government of Chile to ensure the thorough investigation and prosecution of the many recent cases of kidnapping and torture."

A State Department spokesman, Charles E. Redman, said the Reagan administration offered its own resolution in an effort to obtain a moderate text that Washington could support. He said the United States had voted against the Chile resolution at previous annual meetings of the Human Rights Commission because it considered the resolution to be unbalanced and strident.

State Department officials said that the United States had been pressing for changes in Chile under the government of President Au-

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## Russians Get a Rare Look at a Live Manned Space Launch

In a break with custom, Soviet television carried a live broadcast Thursday of the launch of two cosmonauts on their way to a rendezvous with a space station. Above, the cosmonauts, Colonel Leonid Kizim and Vladimir Solov'yev, are shown on a screen in the main room of the mission control center. Page 2.

## Shuttle Loss Is Opportunity for Private Launchers

By Andrew Pollack  
New York Times Service

SAN FRANCISCO — The decision by NASA to let the private rocket industry supplement the shuttle program in sending satellites aloft gives the struggling business its best chance yet to develop the first commercially run American launching apparatus, according to analysts and executives.

For several years, private launching companies, which under the new policy would send up communications satellites on unmanned rockets, have been battling opposition from the National Aeronautics and Space Administration, which argued that they were superfluous.

But with the Jan. 28 loss of the shuttle Challenger, the space agency has come to what analysts have called an inevitable conclusion: Without this private industry, the shuttle capacity would not be enough to send aloft a growing list of private satellites. This was confirmed by the space agency Tuesday.

'If the shuttle stops flying commercial launches, they're going to have to go either to Ariane or someplace else or not launch.'

— S. Neil Hosenball  
Former NASA general counsel

The private companies, however, will not be ready to launch for at least two years. While France and other nations pushed ahead with unmanned launching technology, the American unmanned rocket program has been nearly dormant and it will take that

long to build the rockets and make the other necessary arrangements. Even then unmanned rockets will have a limited ability to replace shuttles.

The likely result is that Arianespace, a company formed by the European Space Agency, will pick up business and that many planned launches will be delayed or canceled.

"If the shuttle stops flying commercial launches, they're going to have to go either to Ariane or someplace else or not launch," said S. Neil Hosenball, former NASA general counsel who is now director of the Center for Space Law, Business and Policy at the University of Colorado. "That could have a real serious impact on U.S. communications satellite owners."

A range of businesses, from huge aerospace concerns to entrepreneurs building rockets in their driveways, want to get into the launching business.

And with Ariane almost fully booked, they can look

(Continued on Page 6, Col. 5)

## Fight Over Leader Splits Israeli Party

By William Claiborne  
Washington Post Service

JERUSALEM — The Herut Party, the nucleus of Israel's rightist Likud bloc, was in disarray Thursday after factional infighting and an abrupt pre-dawn suspension of its first national convention in seven years.

Amid personal attacks exchanged among the chief rivals for party leadership — Foreign Minister Yitzhak Shamir, Deputy Prime Minister David Levy and Trade Minister Ariel Sharon — the convention broke up without a decision on who would take up the mantle of former Prime Minister Menachem Begin as titular party head. The conclave was suspended indefinitely.

Mr. Shamir, who called members of the faction led by Mr. Levy and Mr. Sharon "criminals," "trash" and "idiots," suggested in a television interview that if he failed to win majority support in the party he might not assume the post of prime minister Oct. 14 under the scheduled rotation of the office in the coalition government with the Labor party.

Mr. Levy said that Mr. Shamir's behavior had been "better suited for Disneyland" and hinted that he might not support Mr. Shamir when rotation came due, although procedurally there seemed to be no way to deny the alternate prime minister his turn at the head of the coalition government if he decided to take it.

Despite the threats issued at an all-night convention session in Tel Aviv, intensive efforts at reconciliation were under way to resolve procedural disputes between the factions so that the convention could be resumed at a later time, and a party leader selected.

Mr. Shamir named Yoram Aridor, a Knesset member, to mediate between the rival groups.

Longstanding personal rivalries pitted a younger generation of Herut loyalists, led by Mr. Levy and supported by Mr. Sharon, against the older party leaders, led by Mr. Shamir and other Jewish underground activists during Israel's struggle for independence.

(Continued on Page 4, Col. 8)



Supporters restrain Foreign Minister Yitzhak Shamir of Israel during arguments at the Herut Party convention.

## Gorbachev Extends Ban On Soviet Nuclear Tests

By Gary Lee  
Washington Post Service

MOSCOW — The Soviet Union announced Thursday that it was extending its unilateral nuclear test ban beyond the March 31 expiration date. It stepped up pressure on the United States to join the moratorium.

Mikhail S. Gorbachev said that Moscow would not carry out nuclear tests "until the United States carries out its first nuclear explosion." The Soviet leader made the promise in a letter to six leaders of nonaligned nations.

"The White House said that it still opposed a ban on nuclear tests despite the Soviet extension, Reuters reported.

"The White House spokesman, Larry Speakes, said, 'Our position on nuclear testing has not changed. There is a situation where the Soviets have made rapid gains in the balance, and it is necessary for us to conduct tests and our allies to conduct tests in the near future.'"

Mr. Gorbachev introduced a six-month ban in August. He then extended it to Jan. 15, when he proposed a timetable for worldwide nuclear disarmament. He has repeatedly called on Washington to join.

But President Ronald Reagan has said that a ban is a long-term goal that has to be seen in the context of "broad, deep and verifiable reductions."

The Soviet Union cannot extend the ban "unilaterally in perpetuity," Mr. Gorbachev said in his letter. It had already "paid a certain price, both militarily and economically," he said.

During a summit meeting with Mr. Reagan in Geneva in November, the Soviet leader indicated that he had had difficulty persuading some Soviet military leaders to accept the ban, according to U.S. officials who attended the talks.

With his new move, the Soviet leader stepped up pressure on Washington for concessions before it agrees to a date for a second summit meeting with Mr. Reagan, Western diplomats in Moscow said.

Mr. Reagan has pressed the Kremlin to fix a date for the meeting, but Soviet officials have not responded.

Mr. Gorbachev indicated in an address to the Soviet Communist Party congress on Feb. 25 that his summit goals included agreements on the test ban and on reductions of stockpiles of European-based intermediate-range nuclear missiles.

"The extra time we granted the American administration is running out," Mr. Gorbachev said in his letter to the leaders of Argentina, Greece, India, Mexico, Sweden and Tanzania.

He also used the letter to underline the Kremlin's willingness to agree to international verification for the ban. He said he was ready to accept a proposal by the six countries to assist in international verification.

## U.S. Aide Backs Majority Rule In South Africa

By David B. Ottaway  
Washington Post Service

WASHINGTON — A senior State Department official has declared that the Reagan administration favors black majority rule in South Africa and regards the guerrillas of the African National Congress as "freedom fighters" in their

South African police break up a funeral, forcing pallbearers to drop coffins and flee. Page 6.

battle against the white apartheid regime.

Chester A. Crocker, assistant secretary of state for African affairs, made the remarks Wednesday in testimony before the House Foreign Affairs Subcommittee on Africa.

When asked by the panel chairman, Representative Howard E. Wolpe of Michigan, whether the administration supported "the creation of a system based on majority rule and the protection of minority rights," Mr. Crocker replied: "I think that's inherent from everything we've said."

"Does that mean majority rule?" Mr. Wolpe, a Democrat, persisted.

"Yes," replied Mr. Crocker, who is regarded as the architect of the administration's "constructive engagement" policy toward South Africa. Constructive engagement is the term applied to the U.S. effort to encourage through quiet diplomacy a reformation of the apartheid system.

Mr. Crocker also said that the administration regarded the guerrillas of the African National Congress as "freedom fighters in the generic sense." The African National Congress is the most prominent of the black nationalist groups seeking to put an end to white minority rule.

"The White House backed away on Thursday from Mr. Crocker's characterization of the guerrillas as 'freedom fighters,'" United Press International reported from Washington.

Larry Speakes, the White House spokesman, said Mr. Crocker was trapped by "a question that was loaded." Mr. Speakes, referring to the African National Congress, said, "They have certain goals, but we don't agree with the methods they use to achieve their goals."

While administration officials have urged South Africa to release Nelson Mandela, the imprisoned leader of the African National Congress, none had ever publicly referred to the guerrillas as "freedom fighters," a term usually reserved by the administration for rebels fighting the leftist governments of Angola, Nicaragua and Afghanistan.

Mr. Wolpe and his aides said this was the first time any high-ranking Reagan administration official has publicly endorsed black majority rule in South Africa in five years of testimony before the subcommittee. A State Department spokesman said, however, that Jeanne J.

(Continued on Page 6, Col. 5)

## Republican Proposes Sharp U.S. Defense Trim

The Associated Press

WASHINGTON — The Republican chairman of the Senate Budget Committee proposed a spending plan Thursday for fiscal 1987 that would sharply pare 1987

Reagan supports a Senate bill that would cut individual taxes an average 8.4 percent. Page 6.

Ronald Reagan's military spending request, virtually freeze domestic spending and ask for \$16 billion in tax increases.

"I think it goes without saying a lot of people at the White House won't like it," said Senator Pete V. Domenici of New Mexico, the committee chairman. He said he hoped his plan could provide the basis for a package that a bipartisan majority of the committee could support.

Meanwhile, the Democratic-led House moved to reject outright the budget Mr. Reagan submitted to Congress on Feb. 5. The package has attracted virtually no support, but Republicans criticized Democratic leaders for playing politics by forcing a vote on the administration plan without presenting an alternative.

Democrats said they wanted to air the inequities of administration policies and head off charges that they had not considered the president's proposals.

In the Senate, Mr. Domenici said he proposed his own budget after bipartisan talks on a spending plan for the fiscal year beginning Oct. 1 were snarled over the issue of military spending.



Chester A. Crocker

## Conable Selected for World Bank

United Press International

WASHINGTON — President Ronald Reagan will nominate Barber B. Conable Jr., a former Republican congressman from New York, to be the head of the World Bank, administration officials said Thursday.

Mr. Conable, 63, who was the top-ranking Republican on the House Ways and Means Committee and a leading Republican moderate, retired from Congress in 1984 after more than 20 years of service.

The nomination of Mr. Conable must be approved by the board of directors of the World Bank. Mr. Reagan will formally nominate him within the next few days, officials said.

Mr. Conable would succeed A.W. Clausen, whose five-year term as head of the World Bank ends June 30.

While a congressman, Mr. Conable was influential with Democrats and Republicans alike on tax and monetary issues.

Mr. Conable is a fiscal conservative who was somewhat more moderate than other Reagan allies in the House of Representatives.

He helped author the "10-5-3" accelerated depreciation schedule that was adopted as part of Mr. Reagan's 1981 tax reduction package.

In the position as head of the International Bank of Reconstruction and Development, as the body is officially known, Mr. Conable would receive \$120,000 a year after taxes and a \$55,000 expense allowance, bank officials said.

Others mentioned during the lengthy process to select a successor to Mr. Clausen were Secretary of State George P. Shultz; Paul Volcker, the Federal Reserve chairman; and Labor Secretary William E. Brock.

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#### WEEKEND

■ The resumption of normal U.S.-Soviet cultural relations makes possible exchanges that could be both wider and more rewarding than anything as yet envisaged. Page 9.

# Breaking With Custom, Soviet Televises Manned Space Shot

By William J. Easton  
*Los Angeles Times Service*

MOSCOW — In a departure from customary secrecy, the Soviet Union on Thursday showed live on television the launch of Soyuz T-15, carrying two cosmonauts to a rendezvous with its new space station Mir.

The flawless blast-off from the Baikonur space center in the Kazakhstan desert was seen on all channels on the Soviet television network and relayed abroad as well.

Except for flights involving foreign astronauts, the Soviet Union has not broadcast live pictures of space launches. Instead, it has presented taped or filmed reports later on regular news programs.

Thursday's exception may have been an example of the new openness of the Soviet leader, Mikhail S. Gorbachev, or a way of dramatizing Soviet success compared to the deaths of seven astronauts in the U.S. space shuttle Challenger last January.

The spacecraft, with Colonel

Leonid Kizim and Vladimir Solovyev aboard, was headed for a docking with Mir, the hub of a permanently manned space station, which was launched Feb. 20.

Soyuz T-15, under automatic control, lifted smoothly from the ground as its rocket boosters fired.

The program from the Baikonur space center, which is rarely visited by foreigners, included a history of manned space flight beginning with the epic mission of Yuri A. Gagarin, the first man in space, nearly 25 years ago.

Major General Alexei A. Leonov, deputy commander of the cosmonaut training center, noted in a greeting to the crew that they were starting their trip on March 13.

"The thirteenth is an unlucky day but let this be the happiest day for you," he said.

Colonel Kizim, 45, and Mr. Solovyev, 40, broke the world endurance record in space in 1984 with Dr. Oleg Atkov by remaining aloft for 238 days.

A Soviet space official said Mir

was in its 345th orbit and ready to receive Soyuz T-15 in one of its docking ports. A Soviet space lab, Salyut-7, also is in orbit.

Western analysts said the Soviet Union clearly was focusing its efforts on a permanent space station in contrast to American emphasis on the shuttle program.

**Probe Nearing Comet**

A European spacecraft was speeding toward an encounter with Halley's comet late Thursday that was expected to be so close that the craft may be destroyed in the process, the Los Angeles Times reported from Darmstadt, West Germany.

Officials with the European Space Operations Center made the final course adjustment Tuesday night that was expected to send the craft, Giotto, within about 300 miles (490 kilometers) of the nucleus of the comet.

That approach will send Giotto much closer to the nucleus than two Soviet probes, Vega-1 and Vega-2, both of which were slightly damaged.



Ingvar Carlsson taking his seat in parliament Thursday.

# Swedes Hold Suspect in Assassination Of Palme

**Stockholm** — The Swedish police have arrested a man suspected of involvement in the assassination of Prime Minister Olof Palme, a police spokesman said Thursday.

The arrest was the first in a manhunt started after Mr. Palme, 59, was shot Feb. 28 as he walked home with his wife after watching a film at a Stockholm movie theater.

Swedish Radio said the man was a Swedish citizen.

The police spokesman said the man was arrested late Wednesday. He declined to give further details. Police declined to say if the suspect had been formally charged with any crime. The radio said he was 35 years old.

A Stockholm lawyer, Henning Sjöström, who spoke to the suspect, said in a radio interview the man was arrested because he had been in the area of the murder and had no clear alibi.

"I am convinced there is no reason to hold him," Mr. Sjöström said.

**Palme's Policies to Be Kept**

Earlier, The Associated Press reported from Stockholm:

Sweden's new prime minister vowed Thursday to remain loyal to social welfare programs main-  
tained by Mr. Palme, but he hinted at a more conciliatory style than that of his assassinated predecessor.

"We stand united in the common values of this country," Ingvar Carlsson said in his first speech as prime minister to the Swedish parliament, the Riksdag. "We are united also in an inviolable resolution that nothing, least of all violence, shall compel us to give up."

Like Mr. Palme, whom Mr. Carlsson served as deputy prime minister, the new Social Democratic prime minister called on Sweden to hold down wages and costs in an effort to bring this Scandinavian nation "step by step" out of economic troubles.

Mr. Carlsson said Sweden expected government "without contrived friction and without unnecessary conflicts."

"In that spirit, the government wishes to pursue a policy for the whole Swedish people," he said.

Mr. Palme, though deeply admired by his supporters, was seen by opponents as often abrasive and sometimes arrogant, and as a leader who enjoyed more political combat than necessary.

Swedish officials continued preparations for the major international gathering expected for Mr. Palme's funeral Saturday. The police, meanwhile, said they had nothing new to report on the hunt for his assassin.

Party officials said Mr. Palme's place in parliament would be taken by Barbro Evermo, 43, who once worked as a cleaning woman in Stockholm.

Mr. Carlsson said his government would continue Mr. Palme's concerns with disarmament, Third World problems and refugees, and maintain the array of social welfare programs built up over the years by the governing Social Democrats.

Mr. Carlsson, 51, left major cabinet posts filled by the same ministers who held the jobs under the government assembled by Mr. Palme last fall as he began his fourth term as prime minister.

One minor change was to add the environmental matters formerly handled by Mr. Carlsson himself to Birgitta Dahl, 48, a minister who will continue to deal with energy matters.

Mr. Carlsson was elected prime minister Wednesday in the first legislative session since Mr. Palme was killed. Non-Socialists withheld their votes as a sign that they supported Mr. Carlsson's succession while not endorsing his party's policies.

Party officials handling funeral arrangements said representatives of more than 60 foreign governments had confirmed they would come to Stockholm for the ceremony.

# WORLD BRIEFS

**Parliament Seeks More EC Funds**

STRASBOURG, France (AP) — The European Parliament called Thursday for an immediate supplementary fund to cover at least part of the European Community's anticipated cash shortage this year of 29 billion European currency units (\$2.75 billion).

In a resolution adopted after a hastily scheduled debate, the Parliament said that without the extra money the 12-nation community would be unable to meet its financial obligations.

The EC budget commissioner, Henning Christophersen of Denmark, told the Parliament that the Common Market was facing "major budgetary problems" caused largely by the decline in the value of the U.S. dollar. He said the drop in the dollar alone would increase the cost of EC farm exports by \$1.5 billion ECUs. Another 800 million ECUs will be needed to fund the social and regional program, and 400 million ECUs to refund Britain's overpayment to the common treasury, he said.

**IRA Suspect Is Arrested in Dublin**

DUBLIN (AP) — A Northern Ireland woman wanted by the British police in connection with Irish Republican Army bombings in London, including three murders, was ordered held in custody Thursday after her arrest ended 16 months in hiding.

Evelyn Glenhollows, 29, said nothing during two brief court appearances on a total of nine extradition warrants. They included allegations of taking part in five IRA bombings in London in 1981, which killed three persons, and of hoarding arms in Britain. She was arrested in a suburb of Dublin on Wednesday night.

British news reports said the charge of hoarding arms for 26 months until October 1983 was allegedly linked to an IRA attempt to kill Prime Minister Margaret Thatcher of Britain a year later. Mrs. Thatcher escaped injury, but five persons were killed in the bomb attack on her hotel.

**Sikhs Disclose Backing by Pakistan**

NEW DELHI (AP) — Some detained Sikh extremists have disclosed during interrogation that they were provided with training and arms by Pakistan, the Indian government told Parliament on Thursday.

The militants "disclosed that they had been subjected to training in the handling of small arms and were provided with arms and ammunition and funds by Pakistan," Arun Nehru, the minister of state for home affairs, said before the Rajya Sabha, the upper house. Mr. Nehru, a cousin of Prime Minister Rajiv Gandhi, said the information was based on reports of the Punjab state government, which is run by Sikh moderates.

Pakistan has denied training and arming Sikh dissidents. But the Punjab authorities contend that there is "irrefutable evidence" of its involvement in extremist violence in the Sikh-dominated state, where scores of people have been slain this year alone.

# Papers Critical of U.S. Missile Issued

WASHINGTON (WP) — Defense Secretary Caspar W. Weinberger is pressing ahead with the \$5.2-billion AMRAAM missile program, although the jet combat weapon has not been adequately tested, according to documents from the General Accounting Office and Pentagon testing office.

Representative Denny Smith, an Oregon Republican and co-chairman of the Congressional Military Reform Caucus, released the documents Wednesday. He said they showed that the Advanced Medium-Range Air-to-Air Missile is seriously flawed, needs additional testing and stands little chance of staying within cost projections.

In a letter Feb. 28 to members of the Senate and House Armed Services Committees, Mr. Weinberger formally notified that the missile would perform effectively and would not exceed the Pentagon's cost estimates. Mr. Weinberger's assurance was given in response to a congressional stipulation that the defense secretary provide such a certification by March 1 or cancel the program, which is projected to cost more than \$5 billion.



Caspar W. Weinberger

# More Explosions Rock Malaysian State

KUALA LUMPUR, Malaysia (UPI) — Three explosions rocked the politically divided East Malaysian state of Sabah on Thursday, a day after seven blasts wounded four persons in the state capital of Kota Kinabalu.

The three blasts damaged a sports complex, youth center and bowling center in suburban Likies, but no injuries were reported.

The Bernama news agency said that tension was high in the state capital with hundreds of people gathered at the main mosque to protest the desecration of the holy site, which had been splashed with red-painted crosses. A Christian-based opposition party scored an upset victory in state elections last April 21.

# Habib Presses Managua on Talks

SAN SALVADOR (Reuters) — Philip C. Habib, President Ronald Reagan's special envoy to Central America, said a resumption of peace talks with Nicaragua would be possible only if the Sandinista government agreed to talks with its U.S.-backed opposition. Mr. Reagan had said Wednesday that Mr. Habib would meet with the Sandinistas "if there was any benefit."

Mr. Habib said late Wednesday after meeting with El Salvador's president, José Napoleón Duarte, that if the Sandinistas "were to undertake a dialogue with the United Nations Opposition, the United States would at the same time resume bilateral discussions with the government of Nicaragua."

"Short of that, we're not prepared to do so," Mr. Habib said. He also praised a proposal by the Salvadoran leader, who last week offered to resume talks with guerrillas fighting his government if the Nicaraguan government agreed to do the same with rebels fighting there. "The proposal is a good one," he said, adding: "It recognizes conflicts in the region are internal, that they are linked by the fact of Nicaraguan support for Salvadoran guerrillas."

# For the Record

TWA and striking flight attendants failed to make progress in bargaining talks Wednesday in Philadelphia and no new talks were scheduled, a mediation official said. About 5,700 employees walked out Friday in a dispute over proposed wage cuts and increased flying time. (AP)

Nicaragua and Costa Rica agreed Wednesday on the outlines of a multinational commission and peacekeeping force to prevent outbreaks of violence along their border. (AP)

The first German recipient of an artificial heart died Thursday, it was announced in West Berlin. The patient, Hans Holzweg, a West Berliner, received the heart Friday and then a natural organ Tuesday. He developed complications with his kidneys. (Reuters)

Cardinal Joseph Glomp, the Polish primate, will visit France April 19-21, the French episcopate announced Thursday. (AP)

A 24-hour strike by British seamen disrupted ferry crossings Thursday between Britain and the Continent. They were protesting the planned closure of a 113-year-old seamen's hospital at Greenwich. (Reuters)

Sri Lanka announced Thursday that it would suspend air attacks on Tamil separatists for one week, beginning Saturday. It said the cease-fire would continue if the rebels stopped ferrying men, weapons and explosives across the Palk Strait from India. (AP)

# Memoirs Detail the Double Life of a Top Soviet Agent

By William Drozdzak  
*Washington Post Service*

BERLIN — For 10 years at the peak of the Cold War, he served as the chief of West Germany's espionage activities against the Soviet bloc. But his true employers sat in KGB headquarters in Moscow, and he loyally fed them the most precious information that crossed his desk.

The saga of Heinz Felte, one of Moscow's most proficient agents to pass through the looking glass of the East-West intelligence war, is never distant from the minds of Western spy chiefs when they ponder Bonn's vulnerability to infiltrators and consider how much sensitive material they can share with their West German allies.

Twenty-five years after his arrest in West Germany for high treason, Mr. Felte emerged Wednesday

from his sheltered life as a former Soviet bloc agent to launch the publication of his autobiography, "In Service of the Adversary."

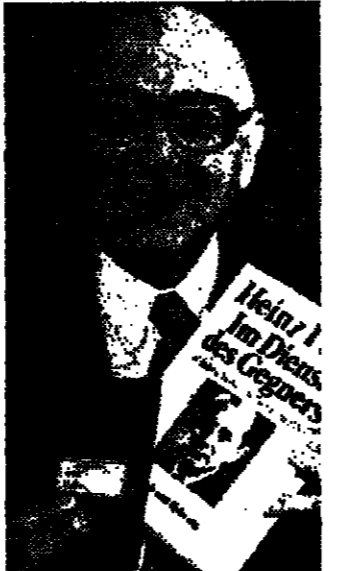
In his solemn blue suit, gray hair and thick eyeglasses, he looked more like a professor than a double agent who inflicted some of the worst damage to Western intelligence at a critical stage in postwar history.

"I am satisfied with my life," he said at a press conference in one of East Berlin's new hotels. "I have lived my life and made a contribution to society as I understand it. I am happy here, and I still get my pension from the KGB."

Mr. Felte said he was allowed to conduct research for his book in KGB archives in Moscow, where he says he was able "to read all that my own hand had put there."

He contended that his "KGB friends" said he could write what he wished and that he deleted upon their request only a few incidents that the KGB wanted kept out of the public eye for "a 10-year embargo."

The rare spectacle of a Soviet agent hawking his memoirs stirred speculation among diplomats and other foreign analysts that apart from disseminating Soviet-approved perspectives through a Hamburg publishing house, Moscow's intelligence elite wanted to signal its foreign agents that a



Heinz Felte holding a copy of his memoirs and his West German passport.

eyes and mentioned that his children remained in West Germany and did not wish to speak to him.

Mr. Felte was released in 1969 as part of an East-West spy swap after serving six years of a 15-year sentence. He settled in East Berlin, where he was given a post as professor of criminology at Humboldt University.

In his press conference, Mr. Felte sketched an extraordinary spying career that evolved from his wartime service as an SS criminal officer and his recruitment, as a prisoner of war, by Soviet intelligence officers in the ruins of Berlin.

He developed strong sympathies with the Soviet cause and accepted the delicate task of penetrating West German intelligence services being set up under supervision of the CIA.

"It was absolutely clear to me that the hope for the future lay with the Soviet Union and not in the United States," Mr. Felte said.

He said he became disgusted with the Western Allies because of the British carpet-bombing raids that destroyed his native city of Dresden.

During his tenure as head of West German intelligence activities targeted on the Soviet Union, Mr. Felte was able to supply Moscow with what Bonn government officials admitted was some of the most highly classified information

exchanged at that time between West Germany and its allies.

Mr. Felte's work for Moscow reportedly compromised even the basic structure and techniques used by West German intelligence, which was revamped after his exposure as a double agent.

His treason, according to his former West German intelligence boss, General Reinhard Gehlen, also led to the arrest and death of many agents during the 1950s. But Mr. Felte refused to confess to any guilt, saying that his colleagues harbored political opinions he could not share.

Mr. Felte said he had not met Hans Joachim Tiede, the West German counterintelligence officer who defected to the East last year amid mounting personal problems with debts and alcoholism. He acknowledged that he had encountered Günter Guillaume, another noted Soviet bloc agent who became a close adviser to Chancellor Willy Brandt before being exposed in 1974.

In his book, Mr. Felte refers to his switch in allegiance to dictators, from Hitler to Stalin's, by writing: "After Hitler and his clique had led the German Reich and its people to their doom, I asked myself what I could do in order to avoid further participation in Germany's destruction."

# Strikes in Finland Expected to Affect Flights, Seaports

HELSINKI — Strikes by more than 240,000 workers started Thursday after Finland's trade union confederation turned down a last-minute offer by employers to avert the stoppages.

The strikes were expected to stop domestic air flights and close seaports. Many foreign ships left Finnish ports Wednesday, apparently to avoid being caught by the strikes, officials said.

"We have been negotiating now for months," Pertti Vitanen, chairman of the confederation, said on Finnish television. "It proved ultimately impossible to reach agreement. We had to take industrial action."

The employers earlier offered cuts in working hours, a major condition set by the trade unions, which have called for the introduction of a 35-hour work week by 1990.

The confederation has refused to accept flexible schedules to allow for longer or shorter working days or weeks to meet fluctuations in orders and stocks. Employers have suggested that a separate group study that proposal.

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**Correction**

An article in the March 6 Business section said that Fujitsu Ltd. supplies Amdahl Co. with IBM-compatible systems. In fact, Fujitsu supplies only sub-assembly units for computer systems designed by Amdahl itself.

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# Spain's Pro-NATO Vote Welcomed by Business, Allies, but Not Moscow

**Reuters**  
**MADRID** — Spain's government and business community welcomed Thursday the vote that kept the country in the North Atlantic Treaty Organization and appeared to ensure the governing Socialist's re-election later this year.

News of the Socialist's unexpected victory in Wednesday's referendum, by a margin of 52.5 percent to 39.8 percent on a turnout of just under 60 percent of eligible voters, sent stock prices up a record one-day rise of 6.78 points to 150.23 on the Madrid Stock Exchange.

With the NATO issue behind him, Prime Minister Felipe Gonzalez was virtually certain to win a second four-year term in office in general elections that are due by October, political analysts said.

In his uphill battle to keep Spain in NATO after joining the European Community, Mr. Gonzalez had warned of dire economic consequences if it failed to take part in European defense.

A spokesman for one of Spain's top banks said: "Anything could have happened if the outcome had been negative. The result clears the air and removes all economic uncertainties."

Luis Solana, a Socialist and chairman of Spain's biggest employer, the state-owned Telefonica, said: "The Spanish people have, for the first time in 100 years, shown their will to become a part of Europe."

Mr. Gonzalez has pledged to work toward rebuilding a consensus on foreign and defense policy after the bruising referendum campaign.

But Carlos Otamendi, a far-left leader of the anti-NATO movement, said he would campaign for the dismantling of U.S. military bases in Spain and for renouncing Spain's bilateral defense treaty with the United States.

"We cannot turn our backs on the seven million Spaniards who voted against NATO," he said.

Meanwhile, a rightist opposition leader, Manuel Fraga Iribarne, faced the task of rebuilding the unity of his Popular Coalition, which was hurt by defections over his campaign for abstaining from Wednesday's vote.

Elsewhere, other NATO members welcomed Spain's vote to stay in the alliance as a boost for Western democracy, but Moscow said the Socialist Party had forced the hand of voters.

Lord Carrington, NATO's secretary-general, said he was delighted. "I know I reflect the feelings of all other members in welcoming the result," he said in Brussels.

Another senior official said that the result had averted a major political setback for the 16-nation alliance.

"We were very worried," said the official. "It has saved the alliance from a crisis of confidence."

The United States also greeted the result warmly.

"In strengthening the security of its democratic values Spain has also strengthened that of its friends and allies," said a State Department spokesman, Pete Martinez.

Foreign Minister Hans-Dietrich Genscher of West Germany said that the outcome of the referendum had shown "that the Spanish people have a very healthy sense of judgment."

But in Moscow, the official Soviet press agency Tass accused Mr. Gonzalez's Socialist Workers' Party of using propaganda to coerce voters after abandoning the anti-NATO stance on which it came to power in 1982.

The United States has nearly 9,000 military and civilian personnel at four bases in Spain under an agreement that runs out in 1988.



Jacques Chirac, left, leader of the Rally for the Republic party, shared his car with two hitchhikers during a campaign swing in Valence, in southern France. To his left is Régis Parent, a general councillor in Valence. Mr. Chirac was campaigning for Sunday's election.

# French Elections Are Unlikely To Bring Major Policy Shifts

By Joseph Fitchett  
*International Herald Tribune*  
**PARIS** — The French parliament to be elected Sunday is unlikely to be marked by ideological or economic extremes.

In contrast to the country's 1981 election, when the Socialist Party convinced many voters that it could cure unemployment, the main parties agree that France has only limited room for economic or diplomatic maneuvering.

One U.S. diplomat said, "There is a less-radical difference between the Socialist government and its conservative opponents than between, say, the governments and the opposition in the United States or Britain."

Jean-Michel Gaillard, until recently a key adviser to François Mitterrand, the French president, said: "Under Gaullism, France of old fantasized about its role in the world because leaders were afraid to tackle social and economic changes at home. Under Mitter-

rand, France has learned it must start reforming its own society to hold its place in the world. No French leader can go back on that change."

Mr. Mitterrand's conservative opponents can hardly go further than he did in supporting the West-

The watershed was an economic crisis in 1983. Mr. Mitterrand adopted an austerity program, overruling advisers who wanted France to protect its economic experiment, even if it required closing the nation's borders economically.

Since then, France's economic performance has improved markedly. Inflation has been curbed, the trade deficit has eased, France's stock markets are booming, foreign funds are pouring into France and French money is returning.

France now also stands to benefit from a double windfall: the declining price of oil and value of the dollar should add at least one percentage point to French economic growth.

The Socialist's campaign plan has been for voters to let them reap the harvest of their policies.

Conservative parties argue that their candidates — many of them with more business and government experience — will be more effective in galvanizing France. They plan to stimulate the economy through progressive deregulation and privatization of state-owned industry and services.

The most important undercurrent in the campaign is racism: the resentment of North African immigrants amid high unemployment and accusations that they are often involved in drug traffic and street violence.

The conservatives, while repudiating extremist views, have promised to crack down on illegal immigrants, toughen nationality procedures and strengthen police checks on immigrants.

## NEWS ANALYSIS

era alliance. He broke with France's policy of nonalignment to publicly urge West Germany to deploy U.S.-made nuclear missiles. Reagan administration officials also praise him for taking the lead in Europe in combating industrial espionage by the Soviet Union.

Some American officials have re-examined Mr. Mitterrand's criticism of the Strategic Defense Initiative, the U.S. plan for a space-based anti-missile system, and have welcomed French conservatives' support for SDI.

On domestic issues, the main political parties — the Socialists and the two center-right parties: the neo-Gaullist Rally for the Republic and the Union for French Democracy — basically agree that France should make its economy more competitive in world markets without dismantling social benefits.

The choice for many French voters is seen, therefore, as simply for the Socialists or against them, according to Michel Crozier, a French sociologist. "Many French people cannot forgive the Socialists for what they did at first," he said.

The Socialists marked their rivalry in power five years ago with sweeping initiatives: deficit spending to bolster the economy, widespread nationalizations, additional benefits for low-paid workers, reinforced job-protection, trebled cultural spending, radical judicial and penal reform, clemency for thousands of illegal immigrants and administrative decentralization.

But many of these reforms had to be reversed after they were found to be too expensive and divisive.

708 U.S. Copters Grounded  
**WASHINGTON** — The U.S. Army grounded its 640 UH-60 Black Hawk and 68 AH-64 Apache attack helicopters Wednesday after a crash Tuesday at Fort Rucker, Alabama.

# Outlook for France in Chad: At Best, a Standoff

By Jonathan C. Randal  
*Washington Post Service*  
**NDJAMENA, Chad** — For the third time in recent years, French forces are back in Chad because of Libya's leader, Colonel Moamer Qadhafi.

"As long as Qadhafi is around," a weary diplomat said, "the French know full well they are condemned to prop this country up. Even if the renewed French military presence here may produce a standoff, Qadhafi will try again once the French pull out."

Colonel Qadhafi, in the view of diplomats and analysts, seems determined to install a government friendly to Libya in Chad and then use it as a springboard to promote wider ambitions south of the Sahara.

On the other hand, Chad's president, Hissène Habré, a former Qadhafi ally, is committed to driving the last Libyan soldier out of the northern third of a country that is larger than France and Spain combined.

France has sent fighter-bombers, interceptors and airfield perimeter defense troops to prevent a Libyan takeover of so-called "useful" Chad, the southern half of the country.

But France, in the final stages of a parliamentary election campaign, is in no mood for a wider war with Libya, which, since 1973, has occupied the Aozou strip south of the internationally recognized Chad-Libya border.

Specifically, France wants no part in helping Mr. Habré achieve a

goal that could strain the logistical capacity of an already expensive expeditionary force.

"We want to calm things down, not solve the total problem," a French diplomat said.

Mr. Habré, pleased with his own recent victories over Libyan-backed rebels in the north and the renewed presence of French warplanes in the capital, is confident that France will protect "useful" Chad.

Even if the French right wins the parliamentary elections on March 16, Mr. Habré said at a recent news conference, he is confident a new government would continue to aid him.

"France is France," he said, "thanks to the role she plays in the world, especially in Africa."

That was seen as diplomatic shorthand to put President François Mitterrand on notice that conservative Black African leaders such as Félix Houphouët-Boigny of the Ivory Coast and Abou Diouf of Senegal could be counted on to speak out if French resolve weakened.

For French taxpayers, battling Chad, whose estimated annual per-capita income is \$88, always has been costly and is going to become more so.

The military costs are high, as French transport planes on their way from France must detour expensively around Algerian and Libyan airspace that is off limits. Aviation fuel for the French warplanes is flown in from Cameroon by commercial aircraft.

France's mediator sees progress on hostages.

By Ihsan A. Hijazi  
*New York Times Service*  
**BEIRUT** — The French mediator who is trying to secure the release of French hostages held by Moslem extremists in Lebanon has reported progress in his negotiations.

The mediator, Dr. Razah Raad, a Lebanese-born Shiite Moslem, was quoted in the Lebanese press Thursday as saying that he had reached an agreement in principle with the kidnapers but that the details remained to be worked out.

Dr. Raad, a cardiologist, was later reported to be on his way to Damascus. He telephoned his hotel to announce his departure. The hotel receptionist quoted him as saying: "I'll be two or three days in Syria and then I'll go to France. I'll come back to Lebanon later."

He had spent two days in negotiations with the kidnapers of the Frenchmen in the southern suburbs of the Lebanese capital.

The Islamic Jihad organization said it had kidnapped four of the hostages, and killed one of them, Michel Saurat, 38, a researcher. It denied responsibility for seizing a four-man French television crew on Saturday.

Hopes for the freedom of the

hostages were raised when it was announced Wednesday that President Saddam Hussein of Iraq had pardoned and released two dissidents who earlier had been deported from France. Release of the two pro-Iranian Iraqis, Hassan Kheir Eddine and Hamuz Fawzi, was one of Islamic Jihad's demands.

Syrian troops clashed with Moslem fundamentalists of Hizbollah, or Army of God, in the Bekaa Valley in eastern Lebanon on Wednesday. Private Lebanese radio stations speculated that the incident was related to moves by Damascus to bring about the release of all foreign captives.

Lebanese media have often said that French and American hostages are held at a former Lebanese Army barracks outside the ancient city of Baalbek, which is in the hands of Shiite activists.

Islamic Jihad has resisted constant pressure from President Hafez al-Assad of Syria to free the captives. Analysts say Syria's eagerness to maintain good relations with Iran has deterred thousands of Syrian troops stationed in the Bekaa Valley from clamping down on Shiite extremists operating out of bases in Baalbek.

Two Christian radio stations said Thursday that Dr. Raad's hopeful remarks notwithstanding, the kidnapers of the Frenchmen continued to insist on fulfillment of their full demands before they let their captives.

They had demanded that France release five Tehran-backed Moslemists now in prison in France in return for the release of the Frenchmen. They also wanted France to discontinue shipping weapons to Iraq, which has been locked in a five-year war with Iran.

# France's Mediator Sees Progress on Hostages



Dr. Razah Raad

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# Iraq Reports Capture of Key Positions

**MANAMA, Bahrain** — Iraq said Thursday that one of its army columns advancing south against Iranian troops in the Faw peninsula had captured two key positions and linked up with another column attacking from the west.

A Baghdad communiqué called the advance "a major breakthrough."

Tehran Radio, however, said the Iraqis had repulsed an attack on their positions in the southern tip of the peninsula, killing hundreds of Iraqi soldiers and capturing at least 48.

The radio said the battle took place on the Basra-Baghdad road

north of the disused oil port of Faw, captured early in Iran's offensive on the peninsula, which began Feb. 9. The Iraqis had committed a brigade, about 2,000 men, to the fighting, supported by two other brigades, the radio said.

Abdul-Jabbar Mohsen, the Iraqi Army's political department chief, told reporters with the Iraqi forces that two Iranian positions had been captured at Maminah, northwest of Faw. The central column of Iraq's three-pronged counterattack had been able to link up with the southern column advancing westward along the Gulf coast, he said.

Iraq said that its aircraft had attacked and destroyed a mountain

bridge in the northwest corner of Iran near the Turkish border.

■ Zia Cites 'Internal Friction'

President Mohammed Zia-ul-Haq of Pakistan was quoted Thursday as saying that Iran was unable to end its war with Iraq because of "internal friction" in the Tehran leadership. The Associated Press reported from Bahrain.

General Zia also was quoted by Akhbar Al-Khalji, a Bahrain newspaper, as urging Palestinians to recognize Israel.

He said neither side in the Gulf war could win militarily and attributed the failure of peace initiatives to Tehran's being "inflexible."

# U.S. to Return Marcos Files Fight Splits Israeli Party

(Continued from Page 1)  
 pected the documents to be made available in a couple of days.

An administration official said the documents might contain evidence about violations of U.S. laws on disclosure and fraud as well as providing insights into the finances of the former president. But he said there was "no smoking gun," such as a listing of all Mr. Marcos's assets and bank accounts.

The 1,500 documents are not the only source of information. A Philippine government commission has been set up to recover Marcos money, and its members are accumulating material from various sources, including files seized in Manila, tips from former Marcos associates, and documents in foreign countries, including the United States. The chairman of the commission, Jovito R. Salonga, is due in Washington soon.

To settle claims between Mr. Marcos and the Aquino government, the United States intends to turn over to a federal court other material taken to Hawaii by Mr. Marcos and his party, including valuables and jewelry, according to Mr. Leach and a State Department official.

■ U.S. Subpoena Ver

Pentagon investigators have subpoenaed General Fabian C. Ver, the former chief of the Philippine armed forces, in connection with a federal grand jury investigation of possible kickbacks on U.S. military aid to the Philippines. The Los Angeles Times reported earlier from Washington.

The subpoena was served Tuesday at Hickham Air Force Base in Hawaii.

(Continued from Page 1)  
 central committee, which will choose the new party leader.

When it became clear that there was a stalemate in the committee, the convention committee, Moshe Katsav, who is a Socialist ally, tried to buy time by suggesting the convene on the grounds of having to obtain legal advice on convention procedure.

As soon as Mr. Katsav left the stage, the Sharon-Levy faction, running through a vote of confidence in Mr. Katsav and electing a new convention chairman.

Then the rebel delegates voted their own list of candidates, and led the delegates in the election of Israel's national anthem.

Less than an hour later, Mr. Katsav returned to the convention hall, reconvened the delegates and rebanded the mandates' and adjourned the convention with an unspecified time.

**DEATH NOTICE**  
**COL. ROBERT C. McBRIDE**  
 (USA Ret.)  
 died on March 11 at the age of 69 after a long illness. He is survived by his mother, Pearl McBride, Wichita, Kansas, wife, Denise, Puyolubier, France, son and daughter, brother and step-daughter, Cherrin de Vauvargues, Puyolubier 13114.

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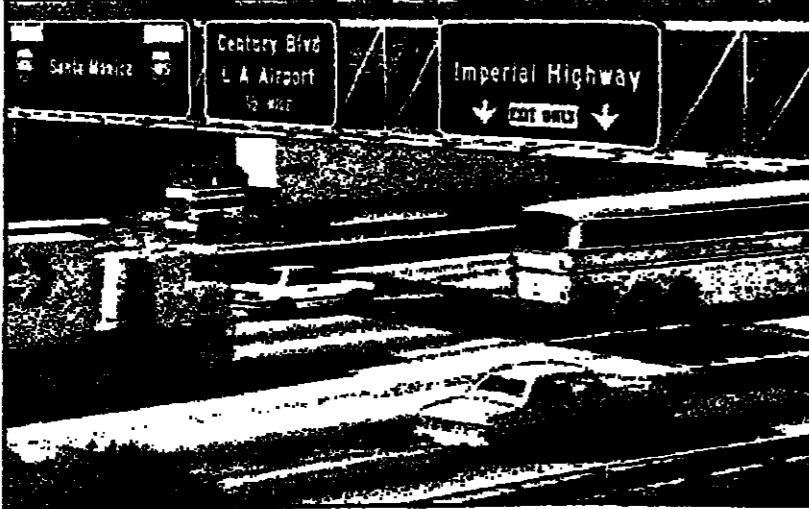
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On Negros, Calls for Cease-Fire Go Unheeded by Philippine Army, Rebels

By Daniel Southerland
Washington Post Service
BACOLOD, Philippines — Despite calls for a cease-fire, the Philippine Army and Communist-led troops continue to clash on the big sugar-producing island of Negros.

But New People's Army spokesmen and sympathizers say that they want the president to remove Defense Minister Juan Ponce Enrile and the armed forces chief of staff, General Fidel V. Ramos, and to meet other demands before they give up their arms.

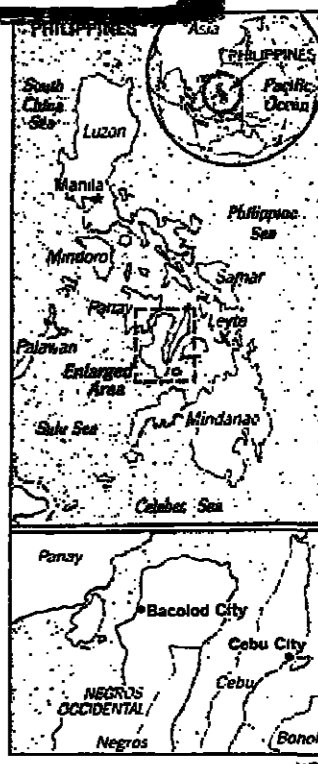
Aside from Negros, scattered violence has occurred elsewhere in the Philippines as well over the past two weeks. In the Bicol region in southern Luzon, guerrillas ambushed a military truck on March 3, killing 12 policemen, a constabulary sergeant and three civilians, according to the Philippines New Agency.

The Philippines military has been asking Roman Catholic Church leaders, such as Bishop Antonio Forchich in Bacolod, to try to convince the insurgents to come down from the hills and surrender. The church has widespread contacts with the New People's Army and is trusted by the insurgents more than the military.

But Bishop Forchich recently recounted several cases of violence occurring in Negros in recent days that indicate that the forces on both sides may not be ready for a reconciliation yet.

On March 2 the guerrillas ambushed a group of Philippine government soldiers in the southern area of Negros, killing a young army lieutenant. On March 7 government soldiers killed a member of the New People's Army in the same southern area. Relatives who recovered the man's body said he had been unharmed.

"It's business as usual," said Bishop Forchich. "We've still got killing, ambushes and private armies." The private armies that the bishop referred to are Civil Home Defense Force units. Mr. Gustilo denies that these men are under his control.



U.K. Experts to Help Clean Up Ganges River

United Press International
LONDON — British experts who made the Thames the cleanest metropolitan river in the world will help attempt to clean up the Ganges River in India.

A spokesman for the Thames Water Authority said it had secured a major consultancy role in a \$290-million program aimed at cleaning up pollution in the Ganges, which flows through some of the most densely populated areas of the world.

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WEEKEND

March 14, 1986

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Deep Digs at the Louvre

PARIS — The Grand Louvre, one of the French government's seven major building projects, will finally give the former royal palace the space and coherence a great museum requires.

gated Feb. 24 by President François Mitterrand. It consists of newly excavated remains of the Louvre from the 12th century, when it was a fortress under Philippe Auguste, and from the period of Charles V, who converted it into a palace nearly two centuries later.

The Cour Carrée excavations will shortly be open to the public, who will be able to peer down into the remains. De Kisch's dig in the Cour Napoleon will soon be filled by the underground passage and the pyramid of I. M. Pei.

"We must be grateful that Pei chose a design that required deep digging," de Kisch said. He does not know where his findings will be exhibited since at least a thousand square meters of space is needed to show only a small part of the findings.

"If you count each fragment, there are between 20 and 25 million," de Kisch said. "If you count only complete objects such as coins and ceramics, there are 23,000." He used the British methods of urban archaeology developed at Winchester, but for sheer variety and quantity, de Kisch said, his dig is unique.

If the Cour Carrée is testimony to the Louvre's royal past, the Cour Napoleon is astonishingly rich in vestiges of the daily life led by centuries of Parisians in what Balzac referred to as a "pâté of buildings leaning on the old Louvre."

"Napoleon III finished what earlier kings had wanted to do — he tore down the old buildings and the Louvre became closed,

monumental, a kind of Kremlin," de Kisch said.

What emerged from the dig is not a treasure in monetary terms — no great works of art or piles of gold coins — but a priceless testimony to many centuries of the quotidian, beginning with fossilized seeds and going through a stock of 600 carved pipes from a mid-19th-century shop.

Early on, the present Cour Napoleon was cultivated fields, de Kisch said, using as an illustration a page from Les Très Riches Heures du Duc de Berry with the towered Louvre in the background and in the front workers tilling the soil. "Take away the palace," de Kisch said, putting his hand over the palace in the early-15th-century illustration, "and you have this site in its early stages. We have found traces of a pre-urban, and even pre-human, landscape."

The area was farmland from the first to the 10th centuries. "From the 10th to the 12th centuries it was neither country nor city. It is a blank period. Perhaps the Seine rose and drove people away. From the 13th century, and especially the 14th, the building up of the quarter starts, first as a suburb, then as part of the city."

The first remains of houses date to the 13th century and soon the area became a quarter with streets and shops and schools, a charitable hospital for the blind with its own chapel and cemetery, a prostitutes' street to service soldiers at the royal garrison, a sheep market and, under Philippe Auguste, a menagerie for wild animals.

Henri IV decreed that stone rather than wood be used for building in the area. Aristocrats built townhouses, to be near the royal palace. When Louis XIV built Versailles, the artisans and shopkeepers remained but the aristocrats left to join the king. Their houses were carved into small flats; by the mid-19th century Balzac's Cousine Bertie lived in one.

"What we have studied is how the city evolved," de Kisch said. "Even if they were made elsewhere, a city is where objects are found." Among the excavated pieces were examples of imported Ming china. "We found more than we expected and I think it is because we are in a capital city and in contact with the royal palace."

Fortunately, de Kisch has been able to have his restoring team work right on the site. "Burying preserves. Things are disturbed when they taken out of the earth and so you must move quickly to stabilize them."

At present, de Kisch is working in front of the former main entrance of the Louvre Museum, uncovering the kilns where tiles, or tuiles, were fired, giving the name Tuileries. The great ceramist and enameleer Bernard Palissy also worked there and his atelier has been uncovered. Up to now, de Kisch said, Palissy has been known for about 60 objects. "In one day we dug up 800 molds. Now we are at 1,200 pieces," he said.

De Kisch, a specialist in the Gallo-Roman period, of which there are no remains in the Cour Napoleon, will next dig in front of the Palais de Justice on the Ile de la Cité, where an underground parking garage is to be built. Recent legislation, he said, makes archaeological study mandatory before any digging can begin in a potentially interesting area. Sadly, no archaeologists were called in when the craters of Les Halles, in one of the oldest parts of Paris, were dug.

"Archaeology doesn't give us perfect understanding," de Kisch said. "Not everything was written down or kept. It cannot present us with anything like a full record, but it helps."



Emblem Hall, one of the galleries of the Hermitage Museum in Leningrad.

U.S.-Soviet Exchanges: It's Time to Seek the Best

by John Russell

SOME of the happiest days of my life have been spent in the two great Russian museums — the Hermitage in Leningrad and the Pushkin in Moscow — that are shortly to send to the United States an exhibition of French Impressionist and post-Impressionist paintings. However that exhibition may turn out, the resumption of normal cultural relations between the United States and the Soviet Union makes possible a gamut of exchanges that could be both wider and more rewarding than anything as yet envisaged.

Anyone, whether specialist or layman, who has spent time in either the Hermitage or the Pushkin will know that once inside the little side door in the Hermitage that gives on to the granite quayside and is reserved for the professional visitor, time drops away. Automation is unknown. Professional relations, without exception, are blissful — informed, direct and open. Chairs, sofas, desks — all are of museum quality. Pens, cranks, and centennarian floorboards likewise. Baize doors cuffed with leather keep drafts at bay. A vast and congenial confusion is the mark of tiny offices piled high with publications in every imaginable language.

In the Hermitage, in particular, the offices remind us that we are not only in a great museum, but in a great palace as well, a recent visit reconfirmed. Tall windows look across the Neva River to the gilded spire of the Peter and Paul Fortress. The bookcases, the huge tables, the specialized cabinets for engraved gems are likely to have been custom-built in London 200 and some years ago on the orders of Catherine the Great. Something of her voracious, multidirectional curiosity lingers in the Hermitage, which to a remarkable degree is, in its private recesses, a free city of the mind.

The huge, echoing, many-vistaed galleries have likewise kept the look of days long past. We wander among rooms that we recognize from watercolors, drawings and prints that date from the 18th and early 19th centuries. We recognize the innate extravagance, the craving for a grandeur of environment that almost defies belief, and the inspired mixture of Italianate and Germanic architecture with English cabinetmaking and decorative elements that could only be Russian.

The innumerable woods (among them ebony, rosewood, amaranth and Karelian birch), the native marbles and granites, the sumptuosities of jasper, malachite and lapis lazuli and the childlike delight in mechanical objects vie with one another in their dizzying complexity. Above all, there is the life-size effigy of Peter the Great, founding father of what is now Leningrad. Made immediately after Peter's death, and reputedly modeled in wax from the still-warm corpse, it brings home the extent to which not merely the Winter Palace (now part of the Hermitage) but the entire city was owed to the implacable will of one terrifying and very large man.

Our fancy runs that way, we can sort out the paintings that were acquired in Berlin by Catherine the Great in 1764 from the ones that she got from the British collection in Germany in 1769, the Crozat collection in France in 1772 and the Walpole collection in England in 1779. Nor can we mistake the crimson wall coverings, the voluptuous delight in gold and the immensely comfortable furniture (much of it still available to the footsore visitor).

Other, later sources from which paintings were bought for the Hermitage include the collections of the Empress Joséphine in France, an acquisitive banker in Amsterdam called Coesvelt, a Spanish ambassador named Godoy and the Barberigo family in

Venice. In paintings, as in other departments, nothing stopped the Hermitage from getting bigger and bigger, and in 1915 the museum was able to buy the very substantial Dutch and Flemish collection built up by a celebrated Russian geographer.

After the revolution of 1917, a large number of works of all kinds came to the Hermitage as a result of expropriation. And after World War II, it received what was in effect a half share in the incomparable collections of French Impressionist and post-Impressionist painting, together with monumental key works by Matisse and Picasso, that had been bought before World War I by two Moscow collectors, Shchukin and Morosov.

It is common form to say that the collections of the Hermitage are beyond computation. About 400 rooms are open to the public and the museum is estimated to own "15,000 paintings, 12,000 sculptures, 600,000 prints and drawings, some 600,000 archaeological objects, a million coins and medals and 224,000 examples of applied art." A 16-volume catalog of the collections will eventually appear in Russian, English, German and Japanese.

Contrary to what is sometimes supposed, the Hermitage maintains active and friendly relations with many a major institution in both the Soviet bloc and the West, quite apart from producing an average of more than 20 exhibitions a year from its own resources.

In the matter of true cultural exchange, both the Hermitage and the Pushkin have always had quite enough to keep them busy. On the level of long-term planning, for instance, they have for years been preparing an encyclopedic survey of Franco-Russian cultural relations in the 18th century; it will open at the Grand Palais in Paris in October.

Continued on page 10

MARY BLUME

finished his dig in just under a year, on Feb. 23, two weeks ahead of schedule. Hard work lies ahead: restoration, cataloging, publishing, and a public exhibition early in 1987. As the character in a cartoon strip lacked above de Kisch's desk in his quonset hut headquarters says, smiting his brow, "Where will it all end?"

De Kisch is the burly and jovial director of historical antiquities for the Ile-de-France area. His staff of about 55 diggers, restorers and volunteers works in a row of huts near the Rue de Rivoli entrance to the Louvre and he is full of jokes and animation to give them heart and cheer them on. But next to his desk is a planning — the treasured decoration in French offices that shows how and when things are to be done and that suggests we live in an orderly world.

The Cour Carrée part of the Louvre dig is in the hands of Michel Fleury and was inaugu-



Yves de Kisch in quonset hut with some of his 20 million fragments.

The School Hong Kong Punters Built

by Kate Singleton

HONG KONG — The new Hong Kong Academy for the Performing Arts is almost too good for its own good. It was originally planned as a teaching institution, but the building proved so well-equipped and well-appointed that it would have been a waste not to use it as a public opera, theater and concert hall as well.

This should mean some stimulating encounters for the 600 full-time students who will ultimately be enrolled there (the first 210 are getting to grips with the foundation course.) And it must be gratifying for the architects, Simon Kwan and Associates of Hong Kong. It also implies, however, that running costs are going to be much higher than originally estimated, and the house staff far too small.

The Hong Kong government is looking at these problems. It is already paying

about \$4.2 million a year for running costs at the APA, as the academy is known, but the government is aware that, for potential and quality, the school is outstanding in Asia, and perhaps beyond. Furthermore, the APA's Lyric Theater is acoustically excellent, as the Glyndebourne productions performed there last month in the Hong Kong Arts Festival showed (it is rare to get the acoustics of an opera house right the first time; approximate design followed by corrections is the usual method). All this means prestige, and prestige has a price.

The Hong Kong government did not plant the seed that grew into the flower it now proudly wears in its lapel. This was done by an unlikely sounding benefactor: the Royal Hong Kong Jockey Club. The club is a not-for-profit organization that has monopoly control over betting on horse racing in Hong Kong, and the Chinese are inveterate gamblers. The upshot is that the Jockey Club takes in a phenomenal amount of money (the betting turnover for 1985 was \$2.5 billion), which it has to spend on what it calls

"significant projects": medical centers, scholarships, care for the handicapped, youth programs, parks, swimming pools, community services — and culture.

The Jockey Club donated the equivalent of \$39 million to construct the APA. The building is on the Wanchai waterfront, across from the Hong Kong Arts Center. It is made up of three main structures: the Academy Block, the Theater Block and the Administration Block. The Academy and Theater blocks are both triangular, connected by a glass-covered, 26-meter-high atrium. One can look down on this generous informal space from various levels, including the elevator shaft, with its glass corner look-out.

The light that floods in from the glass roof is emphasized in a quiet way by the small mottled-gray opaque tiles that have been used for facing on the walls throughout the building. This pleasantly bland finish contrasts, to considerable effect, with the strong purple carpeting with its occasional acid-green stripe that marks out the foyer.

But the APA's real heart beats behind the

scenes, where students work on three-year diploma courses in dance, drama, music or the technical arts. Students have been applying at a rate of 20 for each of the 150 places available a year. For the moment all except four students come from Hong Kong (this ratio may change). Lessons are in Cantonese, Mandarin and English.

The knowledge imparted to these students derives from both the Chinese and the Western traditions. For instance, in the school of dance, students will be able to study Chinese dance, classical ballet or modern dance, majoring in one and minoring in the other. Two. Acrobatics is required for Chinese-dance majors but is elective for the others. In the theater school, the emphasis is predominantly Western, since the Chinese drama tradition is a bit thin. It is in the school of music that there is the most balance between East and West.

PRACTICAL work is made to play a central part in all courses, and this gets us back to the building: It has facilities not only for the practice of the arts but for learning how to put them into practice. This is what the so-called technical-arts major is about: an area of expertise that people elsewhere have to pick up through long, underpaid apprenticeships in theaters.

The Academy Block contains 10 dance and movement rooms with mirrors, special floors and audio-visual equipment. The largest, 21 meters square, is fitted out with stage lighting and can hold an audience of 100. The 38 teaching rooms, all 20 practice rooms and 3 of the 13 classrooms are sound-proofed. There are also common rooms, a cafeteria and physiotherapy rooms.

The Lyric Theater is the main hall in the Theater Block. The 30-by-60-meter stage has generous side and rear sections, and the orchestra pit can be raised to form an additional fore-stage so the hall is also suitable for full orchestra concerts. This block also contains the Drama Theater, the Studio Theater — an ideal flexible environment for teaching groups of players and technicians — an orchestral hall, a television studio and a recital hall, all acoustically isolated.

The professionally equipped three-camera television studio has multitrack sound and computerized video post-production facilities. It is likely that recording companies as well as festivals will be interested in the APA.

Kate Singleton is a journalist who writes frequently on cultural affairs.

Xavier Cugat at 86: Looking Toward 2000

by Thomas Quinn Curtiss

BARCELONA — Xavier Cugat, who recently turned 86, is receiving international homage in a television spectacle being filmed in Spain, Italy, Mexico and Hollywood with a cast including Julio Iglesias, Plácido Domingo, Frank Sinatra and Fred Astaire. The celebrated exponent of Latin American music appears to have as fervent fans among the famous as he has in his audiences.

Coogie, as he is known, is living in Barcelona at the moment. His eyes twinkle with mischief when a malicious remark is passed and he thinks of something to top it. His ingratiating smile flashes as he talks.

On the walls of his living room hang Miró, Picassos, Dalis and samples of his own work. His caricaturing — "minimum lines, maximum burlesque" is how he describes his approach — matches his inventive orchestrations. His canvases of the Mexican peasantry resemble those of Covarrubias, another artist represented in his collection. All have been close friends. Picasso gave him a brandy banquet in Paris on the occasion of Cugat's second honeymoon in his second marriage. He sees Dalí frequently in Spain.

"I arrived on this strange planet on Jan. 1, 1900. Fortune-tellers predict that I shall see the year 2000 in." Cugat declared. "It's only 14 years off, and I shall give a big birthday party if the prophecy proves correct."

He recently completed a second volume of autobiography, published in Spanish as "Yo, Cugat" (I, Cugat); his 1948 "Rumba Is My Life" was published in English. He communicates frequently with the producers of the television tribute, and telephones daily to his brothers, who manage his Los Angeles restaurant, "Casa Cugat."

The man best known for popularizing Latin American folk themes was in fact born in Spain, in the Catalan town of Girona. (He still speaks Catalanian, the language of his childhood, with his brothers.) His father, a republican, left Spain with his family in 1935 for Cuba.

In Havana a violin maker gave the future maestro a miniature fiddle. The boy had a musical ear and quickly taught himself some simple melodies, such as the "Merry Widow" waltz then in vogue. He performed them in a candy shop: "The pay was sweets, but sweeter was the applause," he recalled. His father, having abandoned politics for



Coogie by Cugat, 1986.

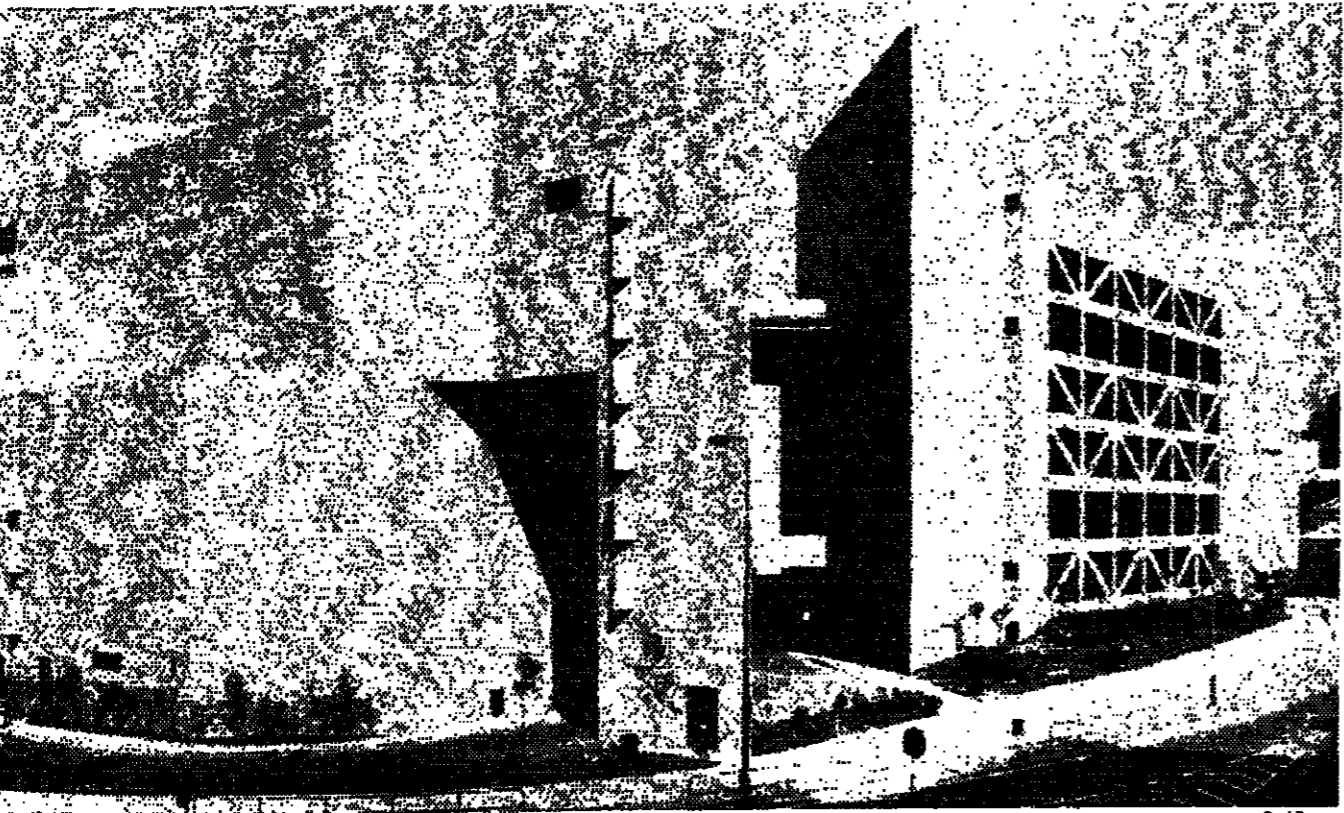
trade, financed his son's violin lessons. On the side, the son developed his drawing talent and contributed cartoons to newspapers.

He studied music diligently and practiced by accompanying melodramas in cinemas. Soon he was first violinist at Havana's Teatro Nacional. Clad in a black velvet suit, he gave his first solo concert there. With the proceeds he booked passage for himself and his family for New York, where his elder brother, who had graduated from a Paris art school, had been appointed scenic designer of the Vitagraph film company.

Cugat studied further under Leopold Auer, the teacher of Mischa Elman, Efrem Zimbalist and Jascha Heifetz. Determined to advance rapidly, he made his debut at Carnegie Hall, billing himself as a violin virtuoso. He played with poise and passion, but the reviews judged him a fairish beginner, scarcely a rival of Fritz Kreisler. After a year at the Berlin Conservatory, he gave another Carnegie Hall recital and received the same verdict. This was a hard blow. Reluctantly, he was persuaded by Vincent Lopez to join his nightclub orchestra.

Another proposition, however, liberated him from being first fiddle in a jazz band. An art dealer urged him to oversee an auction of Spanish antiques in Los Angeles, trusting to his smooth diplomatic manner. He boomed the event into an exclusive social occasion attended by Mary Pickford, Douglas Fair-

Continued on page 11



The Hong Kong Academy for the Performing Arts, or APA, on the Wanchai waterfront.

TRAVEL

U.S.-Soviet Continued from page 9

Organized in collaboration with French museums, it will include painting, drawing, sculpture, the decorative arts, theater and literature.

When I visited the deputy director of the Hermitage, Vitaly Suslov, he was sitting on the far side of a conference table that dates from the time of Czar Nicholas I. In front of him was a typed and annotated list of paintings requested by the National Gallery of Art in Washington, and a letter from Mayor Diane Feinstein of San Francisco, asking for an interview at his earliest convenience, together with other signs of U.S. interest.

The day before, at the Pushkin, the director, Mrs. Antonova, had had in her office two curators from the National Gallery. She, too, had her typed list, and — as in other areas of exchange — no time was to be lost. Feb. 1 was the due date for the opening in Leningrad of the loan show from the National Gallery, and March 24 the opening date for the Armand Hammer collection, "Five Centuries of Masterpieces." As for the loan show of Impressionist and later French paintings from Moscow and Leningrad, it was to open May 1 at the National Gallery.

It did not escape the staffs of the two museums that quite a large proportion of the loans requested by Washington had been sent there as recently as the 1970s. Furthermore, the proposed exhibition (due to be seen in Los Angeles and New York as well as Washington) was virtually a replay of one that has been sent to Switzerland and Italy in the summer of 1983.

Given that the Hermitage collections begin with the early Iron Age in the Caucasus and proceed in ample, majestic and leisurely style through the art of many times and many places, it seems absurd to settle for what is virtually a boilerplate exhibition of paintings that are well known and have traveled quite often enough for their own good.

The truth is that — with the exception of an inspired suggestion, the return of Vladimir Horowitz to his native Russia after 61 years — the events so far announced are not cultural exchanges in any true sense but exercises in immediate gratification. Conceived in terms of ready-made mass-market attractions with which we are already amply familiar — the Bolshoi Ballet and Opera have been to the United States and Western Europe in recent years, and neither is in a condition to make another visit mandatory — the exchanges are as destitute of original ideas as they are of any sense of the subtle but distinct changes that have come about in the Soviet Union since Mikhail Gorbachev came to power.

Visitors to Moscow in December 1985 found that the words "cultural exchange" took on a new luster during the three-week festival of Romantic art and music at the Pushkin Museum. Jointly conceived by Antonova and the pianist Svetoslav Richter, this was all that a cultural exchange ought to be, but so often is not.

On the art side, the Louvre had lent paintings by Delacroix, Chassériau, Courbet and Corot. There were loans from London — Turner from the Tate Gallery, Constable from the Victoria & Albert Museum. Thanks in part to his friendship with the Russian poet Zimovskiy, there were more paintings and drawings by Caspar David Friedrich,

the foremost painter of the German Romantic movement, than are ever likely to be assembled in the United States. The Polish Romantic movement was there in strength. There were portraits of Byron and Berlioz, drawings by Goethe, and an anthology of watercolors and drawings that touched base with the work of three composers — Schubert, Schumann and Chopin — each of whom had a week of concerts to himself.

The tall-pillared auditorium was perfect for chamber music, with its walls covered with cognate works of art and its tiny stage transformed into a drawing room of the 1820s, complete with frosted window and an attentive little audience in period dress. Murray Perahia — a pianist who has been associated the world over with Chopin since he won the Koscziusko Chopin Prize in 1969 — had been invited to make his Russian debut during the festival.

It was a magical experience to hear Perahia make his rapt, unburied way through the Berceuse, the Barcarolle and the F-minor Fantasia, with image after image from Chopin's day on the walls all around.

What we need now, and what we might get if someone were to push hard enough, is cultural exchange that would move freely and without prior prejudice among the art, the music, the theater, the literature, the architecture and the photography of the 20th century in the United States and the Soviet Union. Above all, we need the equivalent of what Pontus Hulten pulled off in "Paris-Moscow 1900-1930" at the Pompidou Center and the Pushkin Museum in 1979.

"Paris-Moscow," as the name suggests, was half French and half Russian in its subject matter. But what mattered primarily was that for the first time someone made a stab at a comprehensive survey in one place and at one time of the Russian avant-garde in all its manifestations.

One of the great secret treasures of the Hermitage has always been the painting called "Composition VI" (1913) by Vasily Kandinsky. Measuring 76 by 118 inches (194 by 302 centimeters), it is the culmination of Kandinsky's work before World War I. At first sight an abstract painting (though based on Kandinsky's vision of the Deluge), it was never allowed to be on view.

But there it is today, hanging on the walls of the Hermitage, just like any other painting, together with several other Kandinskys of the same period.

It has always been rare, if not impossible, for official points of view to be ridiculed in Soviet magazines. But in January an article appeared in Soviet Russia magazine by the dramatist Mikhail Roshchin, one of whose plays has been for 15 years in the repertoire of the Moscow Art Theater. The article was a surprisingly forthright attack on the current state of theater, the novel, art and music in the Soviet Union.

"It's like being in the stores," he said at one point. "What you want, you can't find, and what you can find, you don't want." As for the people in the Ministry of Culture whose duty it is to license new plays, their ideal is "the new play in which nothing whatever happens."

It could be that someone is trying to tell us something, and that if a major U.S. museum were to ask for a comprehensive survey of the Russian avant-garde in its unfettered days, it might be arranged. What do we lose by trying? It sure would beat folk-dancing. ■

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The Friendly Contentment of Ascoli Piceno

by Paul Hofmann

ASCOLI PICENO, Italy — To the ears of most Italians, Ascoli Piceno has a quaint provincial sound. Foreigners who hear it for the first time may ask, Ascoli what? Some travel agents blink at inquiries about the town because it is usually bypassed by international tour operators.

Yet this capital of one of the nation's 95 provinces, three to four hours by car from Rome and only 22 miles (35 kilometers) from the Adriatic coast, is quintessential Italy. It has lively squares, old monuments and fine (though not world-famous) art. Life in Ascoli Piceno is distinguished by such friendly ways as are not always found in the renowned tourist centers, and above all by a genuineness that suggests the taste of unadulterated country wine or the flavor of pure olive oil.

Recently, after buying some birdseed at the pet shop in the main piazza, I complimented the saleswoman on her city. "We are really well off here," she said with a smile. "We are so fortunate. I wouldn't live anywhere else." I heard a number of people make similar remarks when I revisited the town for the first time in 20 years.

The Ascolani, as the inhabitants are called, have a reputation for being fun-loving, cordial and straightforward; they are reliable and skilled workers, but don't think twice about knocking off for a couple of hours to do honor to their wholesome food, excellent wines and local amusements.

The city, with a population of 60,000, has lately achieved an unostentatious prosperity through a healthy equilibrium between farm-based activities and new small-to-medium-sized industries all around.

I had greatly liked the atmosphere of Ascoli (the Ascolani don't bother with the Piceno) when I first spent a few days there long ago. This time, arriving by car from the Adriatic coast, I passed a vast modern district that hadn't been there before — an industrial park, high-rise buildings, supermarkets, a Viale Kennedy, and even a maximum-security national prison. But old Ascoli was still there, as I found when I crossed the bridge over the small Castellano River.

First-time visitors would enjoy entering Ascoli on the ancient route of the salt trade, the Via Salaria of the Romans, coming into the city from the side most distant from the Adriatic. A massive double gate from the first century B.C., the Porta Gemina, greets the traveler. Huddling within is a neighborhood of gray-brown houses with many square towers dating from the Middle Ages.

This Quartiere Vecchio (old quarter) is nearly 10 acres (4 hectares) of crooked, narrow, but clean streets with archaic stone buildings that seem to be holding one another up. They have defied the passage of centuries and are to a large extent still inhabited. The visitor can skirt the south of the old city and drive or walk straight to the Piazza dell'Arringo (Assembly Square).

This irregular oblong square has been the city's political and religious center through the ages. Its east side is taken up by the cathedral and a free-standing baptistery. The cathedral is dedicated to St. Emidio of Trier, the first bishop of Ascoli Piceno, who, according to tradition, was beheaded in A.D. 309; his remains are believed to be enclosed by the ancient Roman sarcophagus in the

church's crypt. The martyr is revered throughout the Marche, the region bordering the upper Adriatic, as a protector from earthquakes. If a man's first name is Emidio (as distinct from Emilio), you may be pretty sure he hails from the Marche.

Work on the cathedral went on for centuries. Started in the Romanesque style in the Middle Ages, it has a Gothic nave and a Renaissance facade that was never completed. The interior was thoroughly redecorated at the end of the 19th century. One of Ascoli's treasures is in a chapel off the right aisle: an altarpiece consisting of several panels (a polyptych), painted by Carlo Crivelli, a Venetian, in 1473, representing the Madonna, apostles and saints.

The baptistery, probably built on the remains of a much older structure, has retained its 12th-century Romanesque stonework. The bishop's palace and the city hall, side by side, form a right angle to the cathedral in the south of the piazza. The two buildings were erected during the Middle Ages and were extensively altered later; the ground-floor arcade of the city hall was built in the 12th century to provide a meeting place for the city's craft guilds.

The picture gallery on the second and third floors of the city hall comprises 400 items. Among them are many works by Cola dell'Amantia, a 16th-century artist from the mountains of the interior who did much of his work in Ascoli and probably designed the facade of the cathedral. There are two triptychs (three-part paintings) by Crivelli, a Vision of St. Francis by Titian (badly damaged) and paintings by Canaletto, Remi, Van Dyck and Rubens. Another exhibit, an embroidered cope made in England in the 13th century, has a curious history: It was presented to the cathedral of St. Emidio by Pope Nicholas IV in 1288, was stolen in 1902, was acquired by John Pierpont Morgan and eventually returned by him to Ascoli Piceno.

The archaeological museum in the Palazzo Panichi and also in the Piazza dell'Arringo

displays Iron Age artifacts linked to the Picenes, a warlike people — perhaps of Dalmatian or Balkan origin — that inhabited the Marche region long before the Roman conquest in the third century B.C. The other material in the museum includes Roman mosaic floors unearthed during construction work in the city center.

From the Piazza dell'Arringo it is a short walk northwest to the city's heart, the Piazza del Popolo (People's Square). Motor traffic is banned from the colorful piazza, which is crowded with strollers, gossiping groups and youngsters. Elegant Renaissance arcades and buildings topped with battlements line much of the piazza, fashioned predominantly of honey-colored travertine. This porous stone is used in many old buildings in Ascoli, often called the city of travertine.

THE sturdy 13th-century Palazzo dei Capitani del Popolo (Palace of the People's Leaders), featuring a clock tower, rises in the south of the square. Facing the palace from the opposite side is the Church of St. Francis, begun in the Gothic style in the 13th century and completed, with a cupola, 200 years later. A modern stained-glass window close to the entrance depicts a stark scene from World War II: SS troops force-marching a prisoner.

Behind the Franciscan church is a convent with two cloisters. Vegetables and fruit from the fertile countryside are arrayed on stands in the open-air market that is held in the larger one of the two arcaded courtyards every weekday morning.

The merchants' center of medieval Ascoli was in what is now the Piazza Ventidio Basso, a little to the northwest of the Church of St. Francis. The campanile of the church on the northeast side of the square is from the 10th century, a stout gray structure like

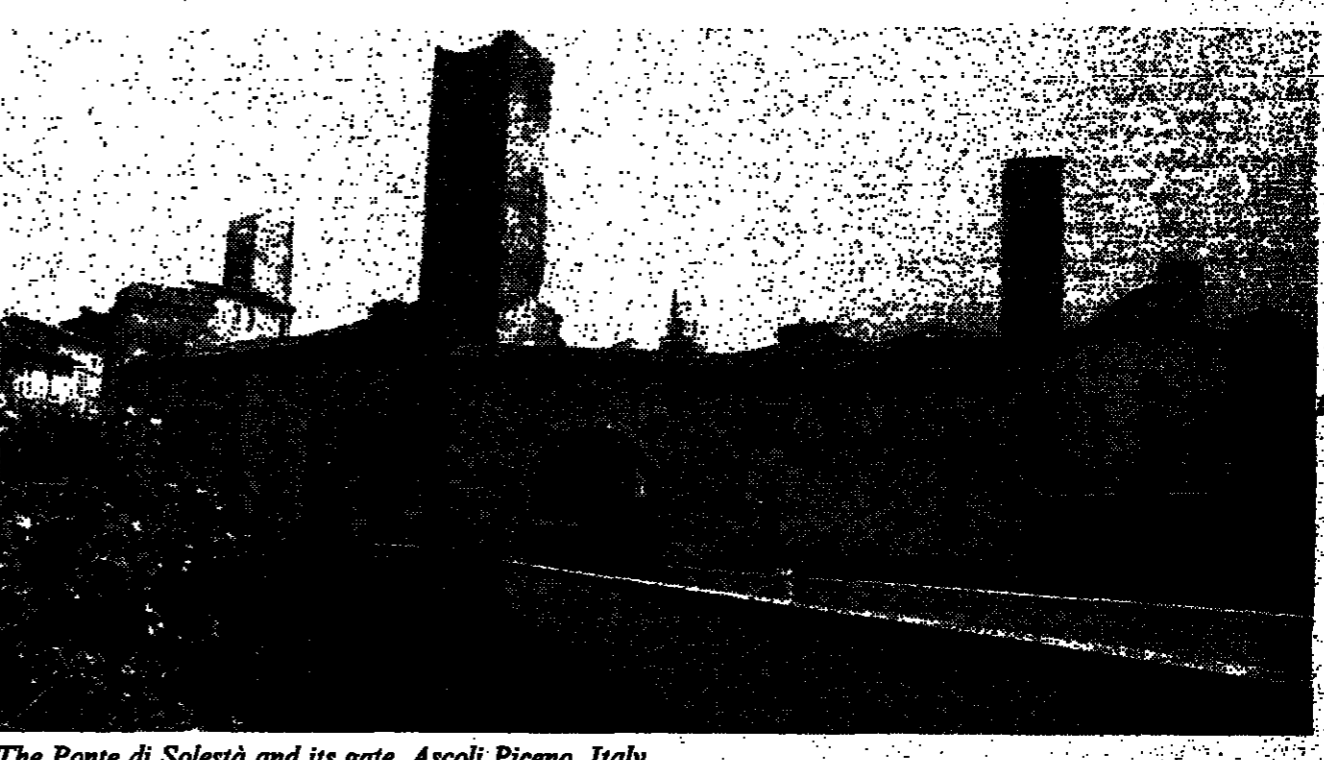
the keep of a fortress; the church's glistening facade, 64 square stone panels with traces of faded religious frescoes, was built in the 15th century. The water in a little well in the church's crypt was once said to cure leprosy.

Further to the northwest is a gate in the old city walls leading to a stone bridge from the time of the Emperor Augustus that is still in use. It spans the Tronto River, 80 feet above the water; the Tronto and its tributary, the Castellano, join between old Ascoli and its modern suburbs on their way toward the Adriatic.

There are fine views of the sea from the Colle di San Marco, a 2,250-foot-high (683-meter) hill to the south of the city. A tortuous eight-mile-long road leads to the hill's plateau, dotted with villas, hotels, tennis courts, a children's playground, a swimming pool and plenty of space for other outdoor pursuits or plain loafing. Pine, chestnut and oak trees abound. In winter, many Ascolani drive to the ski slopes in the Abruzzi mountains, an hour or so away.

When, after a long tour of old Ascoli and its surroundings, we repaired to the Kursaal Grill at the city's center, my friend and I were the only foreign patrons. Most of the Italian clientele seemed to be officials from the nearby provincial headquarters; they looked well-fed and were genial. We ordered the dinner special (\$11.40) and red wine. The waiter brought a bottle of Rosso delle Marche, which proved full-bodied and agreeably tart, just the right accompaniment for the juicy veal and salad after a generous plate of pasta. Dessert was a custard. When the bill came, I found with astonishment that the good wine was included in the price of the meal. Small wonder the Ascolani wouldn't want to live anywhere else.

Paul Hofmann is completing a book on smaller cities and towns in Italy. He is a former correspondent for The New York Times, for which he wrote this article.



The Ponte di Solesà and its gate, Ascoli Piceno, Italy.

INTERNATIONAL DATEBOOK

Table with columns for various countries including Austria, Belgium, England, France, Germany, Hungary, Italy, Netherlands, Spain, Switzerland, and United States. Each entry lists dates and details of cultural events, exhibitions, and performances.

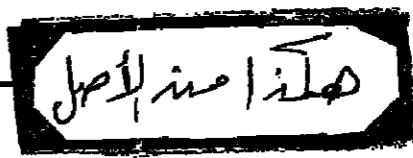
WEEKEND RESTAURANTS AUBERGE COEUR VOIUT PACHA CLUB JOURNÉES SÉMINAIRES 210F TTC

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TRAVEL Let your teenager experience Europe like a native! International Teen Travel

WEEKEND appears every Friday

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FOR FUN AND PROFIT

How to Try Out a Ferrari, Rent a Rolls for a Weekend

by Roger Collis

NEXT time you want to impress a client, surprise your life companion (or weekend date) or simply treat yourself to an ego trip, consider renting a bright red, custom-built Ferrari GTO. For slightly more than the round-trip excursion fare between London and Los Angeles, this \$180,000 machine can be yours for an entire day—about \$870 with insurance and tax (the collision damage waiver alone costs more than the daily rental of a Ford Fiesta).

Since only about 10 of these cars have been made so far, you may have to settle for a new Ferrari Testarossa or a Lamborghini Countach (said to be the fastest road car in the world; it has a top speed of 190 miles an hour—306 kilometers an hour—and does zero to 60 in 4 seconds), both of which are in the same price group.

If none of these are available, you may have to trade down to a Rolls-Royce Silver Spirit or an Aston Martin V8 Vantage coupe (\$607 a day), a Ferrari Mondial cabriolet or a Mercedes 500 SEL (\$512 a day), or a Ferrari 328 or Lamborghini Jalpa (\$379 a day). If you're on a tighter budget you can still have fun with a Lotus Esprit turbo, or the top of the line Porsche 911 Carrera (top speed 153 miles an hour and zero to 60 in 6.2 seconds; it has green-tinted windows and heated windshield washer nozzles) for \$269 a day. You get 100 free miles a day on all models, but thereafter it's \$1 a mile for the Carrera, and up to \$2.70 for the GTO and its stable mates.

These are some of the exotic vehicles in the fleet of Town and Country, a London-based car rental company that was one of the first to respond to a growing demand for high-performance and luxury cars. Chris Riga, a director responsible for international operations, said the market started in Britain about six years ago and was now expanding to Europe and the United States.

Riga is opening branches in Frankfurt and New York, mainly to rent a range of Porsches. "The market is developing—we've increased this end of the business by 50 percent in the last three years. Our problem is finding the cars. There's a three-year waiting list for Ferraris. The first of the Testarossas we ordered in 1982 arrived last year. Right now we have a Ferrari that has disappeared," he said.

Theft is one reason most car-rental companies stay clear of such thoroughbreds. Also, they are unforgiving cars when driven badly, and require frequent and expensive servicing.

A director of Autoexotica, a French company specializing in high-performance rentals with branches in Geneva, Monaco, San Francisco and Los Angeles, said: "We try to avoid high mileage due to the high cost of service. The clutch on the Ferrari is a weak spot." A high-mileage Ferrari, too, has a comparatively low resale value.

In the United States, Autoexotica rents its Countach for \$700 a day plus \$1 a mile. In Geneva, a Ferrari 308 GTI rents for 260 Swiss francs a day (\$177) and 270 francs a kilometer. Cars like Mercedes sports models are available with unlimited mileage.

A British company, Guy Salmon Car Rentals, avoids problems by offering a range of more conventional, and robust, Porsches, Mercedes and Jaguars. "All our cars are easy to drive," said its marketing manager, Susan Williams. "The easiest is probably the Rolls-Royce Silver Spirit." Guy Salmon's top of the line is a Bentley Turbo at \$645 a day (\$3,412 a week with unlimited mileage), plus insurance and tax. A Mercedes 500 SEL Brabus sports coupe is \$277 a day.

Guy Salmon claims to be the only rental company offering a free pick-up service from Heathrow Airport to the center of London. A driver will meet you with your car, help with your baggage, take you to the hotel and

park for you. You can fill out your rental agreement on the way.

Most major international car rental companies have recognized the importance of having luxury high-performance—as distinct from exotic—cars in their fleets. Hertz started in London three years ago, after test marketing in Paris. "We're now going to glamorize the product by calling it the Hertz Prestige Service," said Aidan O'Kelly, a regional manager at Hertz in London.

The service has been started in Switzerland, France, West Germany, South Africa, the Netherlands, Denmark and Belgium. The range includes the ubiquitous Silver Spirit, the Porsche 911 Targa, the Mercedes 280 SL coupe, the BMW 635CSi and the

A high-mileage Ferrari has low resale value.

Jaguar V-12. O'Kelly said customer preferences varied by country. In Switzerland, the Mercedes 500 sports with all the extras tends to be most sought after; in Amsterdam it's the Saab turbo.

"In England we run the Porsche 924—the poor man's Porsche—which gives a lot of guys their first opportunity to drive these cars," O'Kelly said. "Our most exotic model is the Porsche 911 Targa."

Avis makes a distinction between "executive" and "true luxury" cars. Avis's marketing director in London, Andrew James, said the Mercedes 280 SE was a "bridging car." For the genuine luxury sports, you've got the Porsche 911 Carrera, the Porsche 944, the Mercedes 280 SL and the Jaguar XJS cabriolet, which go for \$920 a week, unlimited mileage. But then for a little extra, \$970 a week, you can move up to the Mercedes 380 SEL or BMW 635CSi coupe. We don't consider anything "prestige" which is less than a Porsche Carrera.

Unlike Hertz, Avis seems to encourage people to take a prestige car on a long trip, say from London to the Continent. There seems to be a need to reconcile the profit motive in a growing market with the risk of loss or damage. "Our rental of these cars is equivalent to renting six other ones in terms of contribution," Hertz's O'Kelly said. "But it only takes one to get written off and you're in serious trouble."

This is why all rental companies take considerable pains to ensure that their most extravagant models do not fall into the wrong hands. Most companies stipulate a clean driving license and a minimum age of 30, and insist on a comprehensive collision damage waiver. Town and Country said its accident rate dropped by half in the year since it raised its minimum age from 25. Salesmen and "entertainment" people seem to be the most accident prone.

When you rent a high-performance car, you should expect anonymity (Hertz removes its stickers so that "these cars don't look rented," O'Kelly said) and a galaxy of extras, such as a cellular phone and the best sound equipment.

Town and Country is planning a publicity stunt in collaboration with British Airways: a race between their Lamborghini Countach and the Concorde, for a flat mile, from a standing start. The idea, presumably, is that the Countach will win, as the Concorde will have a problem keeping its nose down. Beating Concorde could be the total automobile experience. That's assuming no one totals the automobile.

Views of Shore From a Fjord Steamer

by George Vecsey

THE premier train ride in Norway, linking gracious Bergen with vibrant Oslo, climbs past mountain hamlets, snowcapped ridges, sparkling lakes and thousands of rural vacation homes where Norwegians zealously return to nature during the long summer days.

But no visit to Norway is complete without a journey on a fjord, one of the long, narrow fingers of ocean extending deep into the mountains. The summer days are so long in Norway that in one day a traveler between Bergen and Oslo can take a cruise on a sturdy steamer that makes its way on blue-gray waters between towering fjord walls, and ascend by electric rail line a breathtakingly steep path up the Flam Valley.

My wife and I had always wanted to visit Norway, for different reasons. Her artist's eye wanted to see the line and color of a Norwegian fjord, and I, back in the third grade, had had a crush on a Norwegian girl. I used to do all my social studies reports on Norway and to this day I cannot see the red, white and blue Norwegian flag or the folk costumes without thinking of the third grade. We also had just welcomed a Norwegian-Canadian son-in-law into the family, but you don't need personal connections to visit Norway, particularly during the longest days at the end of June, when the sun disappears for only a few hours, leaving a milky-white haze in its wake.

We chose to arrive by plane in Bergen and one of the first things we noticed was that many residents of Bergen were red-haired, a reminder of Bergen's long ties with Britain as well as with the Hanseatic merchants of the Middle Ages, long before the railroad arrived from Oslo in 1909.

We poked around the harbor, made fools of ourselves at the smorgasbord of the swank Norge Hotel and watched the sun reflecting off windows on the hillsides just before midnight. Then we began exploring.

FOR reasons of our own we took the combined steamer and electric mountain rail line expedition (about \$33 each) without continuing on to Oslo, though that would have saved a bit of time and money. We returned to Bergen that night, and, two days later, made the complete Bergen-Oslo railroad run (about \$50 each).

The modest-sized ship, no more than half-filled with 100 passengers, curved northward through the inland waterways. Some passengers purchased coffee, juice and sandwiches from the snack bar and watched the world go by from the large windows in the cabin, but we chose the deck for its bracing air and unobstructed view of a gray Sunday morning on a fjord.

As calming as the boat ride was, at that moment I would rather have been on the shore—wearing a sweater and slacks, to be sure—with a dog or a fishing pole, eating some herring for breakfast, listening to Grieg on a headset or reading a book saved up for a rural vacation. But the nature of being a tourist is to keep on moving.

The steamer stopped at nearly a dozen remote villages and an occasional backpacker or suitcase-lugging couple got on or off. Twice we made a rendezvous with sister steamers and a few passengers changed ships via a smoothly extended gangplank.

At about noon, the steamer slipped into a more narrow finger of the Sogne Fjord, Norway's longest, and the scenery began to resemble the stereotypical pictures of fjords: steep walls so close you can almost touch them, towering high above the ship; crashing waterfalls and harsh rocks and swirling waters. To make it perfect, a brisk summer rain began to fall.

We continued our voyage to the heart of grayness, until we reached Flam, the last stop on the boat ride, a quiet village with a



Sogne Fjord, the longest fjord in Norway.

few hotels, a railroad depot and a cafeteria serving lunch.

We spotted people with suitcases and backpacks running to the little red train, so we joined the scramble for window seats. The trip up the mountain to Myrdal is only a bit more than 12 miles (19 kilometers), but with its sharp angles and switchbacks, it takes nearly an hour. Occasionally the train would go even more slowly, so passengers could look back into the Sogne Fjord and take pictures, and we heard oohs and ahs in half a dozen languages.

This was no amusement-park ride or simulated experience. This was the real stuff, the reason people pack suitcases and fight with travel agents and try to sleep in cramped positions on airplanes.

At Myrdal, at the top of the incline, every-

body got off to change to the main Bergen-Oslo line. We could have gone straight to Oslo on the afternoon train, but we were booked back to our hotel in Bergen.

Two mornings later it was time for the Bergen-Oslo ride, beginning at the orderly Bergen terminal, just behind the lake (Lungegards Vannet) a few blocks from the harbor. There are some things nobody tells you about train rides. Neither the otherwise efficient agent at the German Rail office in New York, who had booked our reservations, nor the agent in Bergen, who had changed our tickets, had told us that seats 13 and 14, on one side of the aisle, and seats 15 and 16, on the opposite side, are next to a large panel of steel, not a large panel of glass.

We grumped to the conductor, who courteously noted that seats 9 and 10, directly in

front of us, were not reserved from Voss to Oslo.

The train ride was smooth for the first half of the trip and once we had commandeered window seats at Voss, we could see large antlers tacked onto many wooden huts, huge glacial boulders lying in grassy fields, powerful snow fences arranged to protect the rail line during the long winter, sturdy hikers at all levels and angles, and even an occasional mountain goat or deer. We reached the snow line in the hour after Myrdal, and snow was still steamily evaporating in the summer sunshine.

The train plunged into darkness for minutes at a time, but we were not always in rocky tunnels. Instead, we went through man-made wooden barricades, designed to protect the train from falling rocks and snow.

What do people do up here all winter, we wondered, marveling at the variability in humans, a useful occupation during a seven-hour train ride.

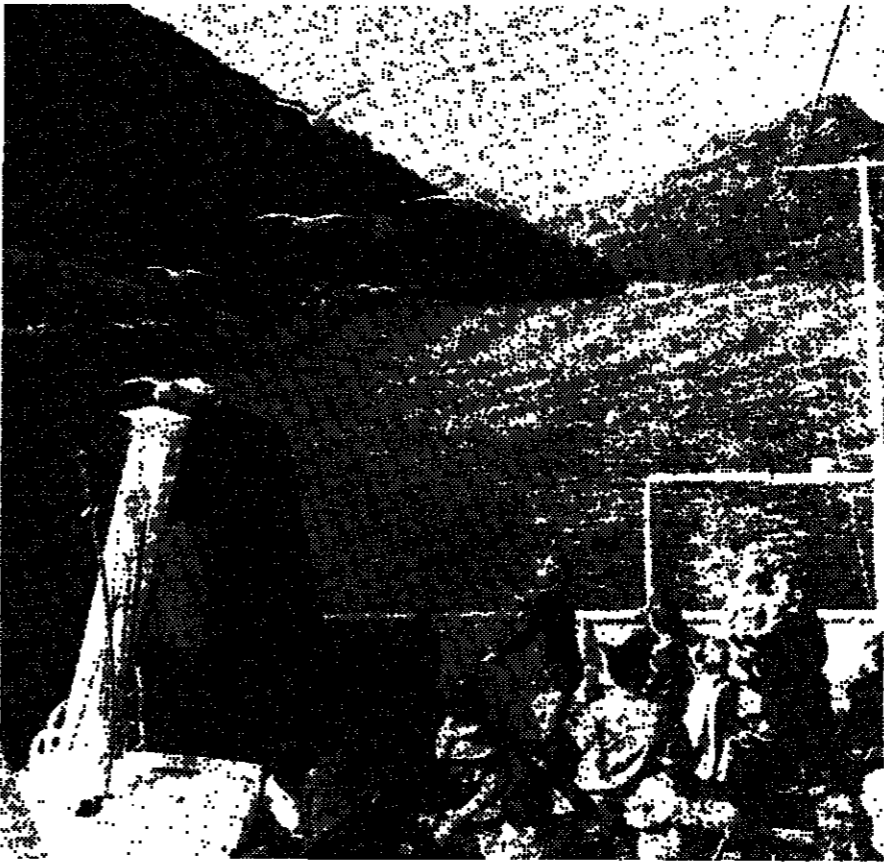
In early afternoon, personable trilingual hostesses (Norwegian, German, English) pushed carts down the aisle, selling goulash or pork dinners for the equivalent of about \$4. We had loaded up on fruit in the Bergen terminal, but the other passengers seemed to enjoy the hot meals. The hostesses also sold coffee and snacks periodically.

Somewhere in the middle of the journey there must have been a change in crews, because the trip became herky-jerky. As the lead-footed engineer jolted us toward Oslo, we began to notice other discomforts: the Norwegian college student two seats up kept playing his cassettes of Billy Joel and Kenny Rogers as loud as many American kids would do; the exotic-looking man across the aisle, perhaps of Lapp origin, went out on the platform to smoke, but the smoke drifted back through the airducts, right into our faces; the air-conditioning was not strong in the long afternoon sun; children fidgeted; people talked too loud.

Shortly after 6 P.M., with the sun still glaring overhead, we arrived in Oslo's Central Station. The urban world hit with a vengeance: They were tearing up the approach roads, so we had to lug our suitcases down a long staircase to the nearest taxi line.

But even as we eased ourselves into our familiar city patterns, we retained the impressions of a seven-hour panorama of a countryside I had wanted to see ever since the third grade.

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The steamer in Sogne Fjord.

Xavier Cugat at 86 Continued from page 9

banks, Mae Murray and others then in the Hollywood limelight.

The contacts he thus secured were more rewarding than his percentage on the lucrative sale. He invited people from the film industry to a concert he gave in the Los Angeles Philharmonic Auditorium. They came, and were enthusiastic, but the West Coast critics echoed the opinion of their Manhattan colleagues. There was a bright side to this defeat, though: Charlie Chaplin signed Cugat as musical advisor on his films, and others followed his lead.

Cugat's cartoons began to appear in the Los Angeles Times and in Vanity Fair, Photoplay and other national magazines. He drew all the faces of movieland. His most thrilling and fruitful sitting came when he was scheduled to sketch Dolores del Rio, whom he regarded as the epitome of beauty. He found a lovely woman patiently awaiting him on a set in the Fox studios; unable to maintain his savoir-faire, he broke into a gasp to her beauty and art, before she could say a word. She listened, smiling, as he raved. When he paused for breath, she informed him that she was not the star but Carmen Castillo, del Rio's stand-in, and that she liked his line. She became his second wife.

It was the Mexican-born Castillo, both a screen actress and a singer, who urged him to form an orchestra and specialize in Latin American dance rhythms. They opened in a small Los Angeles café and were soon the rage, playing at the Coconut Grove, the rendezvous of the cinema elite in the Ambassador Hotel.

Carmen's niece, Margo, then 15, was dancing a set of Cuban and Mexican numbers at the Tia Juana casino. She was seen there by René Black, an executive at the Waldorf-Astoria in New York, who was hunting attractions for the opening of the Waldorf's Starlight Roof. He wanted to sign her up at once. Margo, who spoke little English, told him to see her uncle.

"Your uncle? Where is he?" Black asked. "He's in the Coconut Grove," she replied. Next evening Black saw Cugat's show and the electric response of the audience, and engaged both niece and uncle for the Waldorf. Margo's New York debut resulted in Ben Hecht's inviting her to be the heroine of his 1934 film "Crime Without Passion," and always billed only by her first name, she entered a long career in movies and on Broadway stage. Cugat and his orchestra remained at the Waldorf for 15 years.

"Years later I had a rather different experience, but a lucky one, too," he recalled. "My editor told me to go to the Warner lot and do a cartoon of Errol Flynn. Do some others in the film, but skip that young fellow Ronald Reagan. He'll never get anywhere," this know-it-all cautioned me. I went to the studio, fulfilled the assignment, but I drew R.R. for my files and sent him the drawing. He reciprocated later, inviting me to his inaugural ball in 1981.

"I have drawn every American president beginning with Hoover. Kennedy wrote me that he had placed my fresco caricature of his inaugural ball in the White House press room to cheer up the staff."

Cugat has been married five times and is now single again. Abbe Lane, his fourth wife, later had a career in films. Charo Baeza, his fifth, who is two generations his junior, is a Las Vegas headliner. His first wife, Rita Montaner, was a Cuban singer and his third was Lorraine Allen, a model. He has written lyrically of his wives in his autobiography, likening the temperament of each to the themes of musical masters.

"Were I to relive my life, I would marry the same women," he said contemplatively. He remains on friendly terms with all of them, he said.

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Cugat recalled that "one day, lounging leisurely in my Beverly Hills home, I said I would rather play 'Chiquita Banana' and have my swimming pool than play Bach and starve. There was no flippancy in that. I soon learned when I had hopes of being a concert violinist that the field was limited to the very top artists. For others it is a disheartening, pinch-penny struggle.

"The beginner must fight hard against discouragement. Here's a sample: Once when I had completed the recording of a television variety show, its producer, Ed Sullivan, its master of ceremonies, came to me and said it would have to be redone. Why? 'That terrible girl, the one with the big nose, ruins the whole thing. She is so common that she blocks out everything else.'

"I went to the girl, who was in tears. I tried to comfort her and she cheered up a bit. Her success was to come later. Barbra Streisand is her name."

spontaneous success was our rhythm," Cugat said. "Our beat, whether we played a tango, rumba or bolero, was captivating. It made those who usually only listen, get up and dance. Not the songs or the melodies, but definitely our rhythm. We played no popular tunes.

"During my first three years at the Waldorf I never took a vacation. I thought that Latin American music might be a novelty that would pass. George Gershwin assured me it was here to stay. It's back in favor now, with groups such as the salsa employing rock innovation, and with the growing influence of Latin American culture in the States."

AFTER those initial Waldorf years Cugat occasionally took time off to meet demands and to accept movie offers.

"In films I always played myself, not acting roles but being myself," he said. "This was the advice of Louis B. Mayer, who introduced himself to me in a Waldorf elevator one day. He produced some of my films: 'Weekend at the Waldorf,' musicals with Esther Williams and Jimmy Durante.

"The first in which I received starring billing, with Fred Astaire and Rita Hayworth, was 'You Were Never Lovelier' at Columbia. Jerome Kern wrote the score, and was alarmed and indignant when he heard it was to be played by a rumba band. When he listened to my interpretation of his music he changed his mind."

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Pauillac: Prestige-Laden Village

by Frank J. Priol

IT may be possible, in fact even desirable, to argue over what constitutes the most important wine region of France. But it is almost impossible to deny that the most prestige-laden wine village in France—perhaps in the world—is Pauillac, on the Gironde River 25 miles (40 kilometers) north of the city of Bordeaux.

Pauillac is just one of the famous wine towns of the Médoc, the long arm of land between the Atlantic and the Gironde. Margaux, Saint-Julien and Saint-Estéphe, Pauillac's distinguished neighbors, are almost as prestigious. Margaux in particular.

But consider: Within its boundaries, Pauillac is host to three of the first growths of Bordeaux. Château Lafite-Rothschild, Mouton-Rothschild and Latour all add "Pauillac" to their labels. Three such labels would provide enough prestige to enable any chamber of commerce to rest on its laurels, but Pauillac can also boast of being home to Château Pichon-Longueville-Baron and Pichon-Longueville, Comtesse de Lalande, which, as Hugh Johnson put it, "face each other across the road south from Pauillac like mad old duchesses in party clothes."

Then, too, Pauillac is home to the famous Château Lynch-Bages, to Pontet-Canet and the satellite properties Mouton-Baronne-Philippe and Clère-Milon, both of which belong to Mouton's Baron Philippe de Rothschild. And also to Château Dubart-Milou-Rothschild, which is part of the Rothschild-owned group that includes Château Lafite-Rothschild, Château La Cardonne,

farther north in the Médoc, and Château Ruisseec, in the Sauternes region.

Other prominent Pauillac wine properties include Château Haut-Batailley, Batailley, Haut-Bages-Libéral, Croizet-Bages and Grand-Puy-Ducasse, which is not in the vineyards at all but on the waterfront, so to speak, in the little port of Pauillac. Grand-Puy-Ducasse also houses the Maison du Vin, whose staff assists visitors interested in seeing and learning more of the commune.

Châteaux that would be considered first class elsewhere are relegated to the bottom of the list in elegant Pauillac. They include properties such as Château Pédesclaux, Fonbadet, Haut-Bages-Monpélou, La Tour-Pibran, Anselan and Bellegrave.

Pauillac has some of the largest vineyards in the Médoc. Lafite-Rothschild, for example, covers about 200 acres (80 hectares) of cabernet sauvignon, cabernet franc and merlot grapes. The Pauillac vineyards are also better organized geographically than those of Margaux, for example, where many châteaux own dozens of small parcels spread all over the commune, making them difficult and time-consuming to cultivate.

It is a characteristic that distinguishes Pauillac wines from those of neighboring communes, it is full bodiedness, compared to the wines of Margaux and Saint-Julien to the south. At the same time, they are considered to be less tannic and more subtle than the wines of Saint-Estéphe, the adjoining commune to the north.

Within the confines of the Pauillac style, though, the wines manage to express their own individuality. Jean-Paul Gardere, the retired manager of Château Latour, once

compared Lafite to a "svelte and elegant Madame Récamier" and his own Latour to "a Rubens heroine." Mouton, which lies between the other two first growths, is easily the biggest of the three, mostly because of the predominance of cabernet sauvignon in its composition.

Latour has a reputation for making excellent wines in off years, such as 1977, 1974 and 1968. In part, this may be due to the severe selection of vintages each year. Only the very best go into Latour; the rest go into the second-label Les Forts de Latour, or into wine that bears only the appellation Pauillac.

Once the quay along the Gironde bustled with shipbuilders and boatmen carrying goods south to Bordeaux and north to La Rochelle and across the sea to England and beyond. Lafayette set sail for America in 1777 from Pauillac. The quay, with its wide promenade, is still there. A couple of pleasant cafés give out on it, but there is no serious restaurant at which to savor the local wines. Baron Philippe de Rothschild has talked of building a restaurant near Château Mouton. If he ever does, it would be a perfect place to dine after viewing his superb wine museum. He and his late wife, Pauline, assembled one of the world's best collections of objets d'art dealing with wine. It can be seen only by appointment.

For the time being, the best place to enjoy the wines of Pauillac after a tour of some of the vineyards is at the Relais de Margaux, a few miles south, an elegant small hotel whose restaurant boasts an enormous list of fine Bordeaux wines.

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DOONESBURY



Cugat in palmier days.



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TECHNOLOGY

GM's Unmanned Carriers Eliminate Assembly Line

By JOHN HOLUSHA

DETROIT — When General Motors Corp. opens assembly plants in Kansas City, Kansas, and Doraville, Georgia, in the fall of 1987 they will be largely missing a key element of traditional mass production: an assembly line.

With the carriers, GM is breaking away from the auto industry's traditional method of operation, which is centered on a relentlessly moving assembly line that insures high productivity.

With the new carriers, the assembly-line concept begins to fade.

Although other companies are using the carriers in limited applications, GM is the first American car company to use them as the basis for a production system.

When Henry Ford perfected the assembly line, he was making only one type of car, the Model T, which came in just one color, black.

With the carriers, the notion of a "line" begins to fade, although the vehicles generally follow a prescribed path, receiving their instructions from wires buried in the plant floor.

Even along the normal track, the carriers permit new approaches. On a conventional assembly line, physical layout and high speeds have resulted in the breakdown of jobs into simplistic, repetitive tasks.

Under GM's system, the carrier cannot move out of a work station until released by the group. Thus if a part is not installed correctly, the group will have more time to fix it.

The carriers also fit into the modular assembly concept that GM officials have called one of the keys to cutting manufacturing costs in its Saturn program.

Shell Net Fell 5.2% In Period

Full-Year Profit Dips 17 Percent

LONDON — Royal Dutch/Shell Group said Thursday that its fourth-quarter net income fell 5.2 percent from a year earlier, to \$863 million (about \$1.25 billion at current rates) from \$910 million.

Full-year earnings fell 17 percent, to \$3.03 billion from \$3.65 billion, it said.

Shell attributed the decline to charges related to a continuing restructuring program and to a \$100-million writedown of year-end oil assets.

However, it added, "the group is in a strong competitive position to meet adverse market conditions and to take advantage of opportunities that may arise."

Royal Dutch said its results reflected charges of about \$50 million for the quarter and about \$350 million for the year from shut-downs related to a continuing restructuring process.

The charges also reflect further reductions in Shell's marine fleet and a restructuring of its chemical, coal and metals segments, the company said.

Currency factors generated exchange losses of \$396 million for the year versus a 1984 gain of \$91 million, Shell said.

U.S. Steel Firms' Fate Rests on Talks

Union Forced To Negotiate Separate Pacts

By Peter Perl

WASHINGTON — For many of the 200,000 men and women who still earn their living in America's remaining steel mills — and for several major steel companies — it is coming down to a question of survival.

Behind closed doors in Pittsburgh and Chicago, the future shape and size of the ailing steel industry is being hammered out in union negotiations, amid the most turbulent labor-management climate in 30 years.

These tense bargaining sessions, according to industry analysts, could largely determine which of the Big Six U.S. steelmakers survive the 1980s, and which employees join the growing ranks of dislocated workers in an industry that has lost two-thirds of its work force in the sharpest employment decline in the history of U.S. manufacturing.

For the first time since 1956, the steelmakers will not bargain jointly with the United Steelworkers of America. Their varying degrees of economic distress has led the competing firms to act individually to try to cut the best deal with the union.

The industrywide "no-strike" agreement that prevented a major steel strike for 25 years is now defunct, and some analysts be-

HOW MAJOR STEEL MAKERS WITH UNION CONTRACTS FARED IN 1985

Table with 4 columns: FIRM, 1985 NET INCOME, 1985 TOTAL SALES, 1984 NET INCOME, 1984 TOTAL SALES. Rows include U.S. STEEL, LTV, BETHLEHEM, INLAND, ARMO, NATIONAL.

steadily losing their \$25,000-a-year jobs-not just because of imports, but because unionized firms are contracting out jobs to lower-wage nonunion workers.

The breakdown of 30 years of coordinated bargaining has created a potential nightmare for the Steelworkers because the union must simultaneously negotiate separately with firms that each will be pushing hard to match or exceed the concessions granted its competitors.

On the union side, the United Steelworkers of America has lost nearly half its 1.4 million members in the past decade.

Union members in basic steel already have given up an estimated \$2 billion worth of wage and benefit concessions in the last five years — but are being asked to give up more. They are

U.S. Says Japan Dumped 256-K Memory Chips

Compiled by Our Staff From Dispatches WASHINGTON — The Commerce Department, in an important preliminary ruling, accused Japan on Thursday of "dumping" sophisticated computer memory chips in U.S. markets in violation of U.S. trade laws.

The department said Japanese electronics companies have been marketing the computer chips — a major component in personal computers, telecommunications equipment and other consumer electronic devices — at prices below their cost of production, in violation of U.S. trade laws.

The ruling automatically triggers stiff tariffs on Japanese imports of so-called 256-kilobyte Dynamic Random Access Memory, or DRAM, chips, including the next generation of memory chips, one megabyte chips, just coming out of the market.

The decision came two days after the department filed a similar ruling on a complaint brought by U.S. semiconductor manufacturers on another type of computer chip, so-called EPROMs, or erasable programmable read-only memory chips.

But Thursday's ruling was deemed more significant for two reasons. Symbolically, it came on the first complaint against Japanese computer-chip manufacturers lodged by the Reagan administration.

And numerically, it covers the basic computer circuit that is used in most home computers and the best-selling computer memory chip in the United States.

U.S. semiconductor makers have charged that Japanese companies have deliberately cut prices on both types of devices to drive off American competitors.

"We take a very serious view of unfair trade," said Commerce Secretary Malcolm Baldrige. "Today's preliminary finding indicates unfair trade practices by several Japanese companies. The purpose of our dumping law is to stop this kind of activity."

Mr. Baldrige said that "at least six U.S. plants and production lines have been shut down in the past year within the semiconductor industry and overall employment in the industry has dropped 20 percent."

He cited industry estimates of a loss of \$900 million in sales because of the Japanese dumping.

The ruling was the "strike force" set up by President Ronald Reagan in September when he announced a new trade policy designed to ease the United States' growing international trade deficit.

A final ruling on Thursday's computer-chip case will be made by May 27, the Commerce Department said.

Indonesia to Urge a 'Fair' Oil Price of \$20 to \$25 on OPEC

By Jeremy Clift

JAKARTA — Indonesia, trying for a compromise between hard-liners and Gulf states, will urge members of the Organization of Petroleum Exporting Countries to agree on a "fair" price for oil at their weekend meeting in Geneva, the oil minister, Subroto, said Thursday.

Through talks with non-OPEC oil producers, they should then agree on overall production levels that would support that price, he

said after a meeting with President Suharto.

Subroto said he believed that a fair price was between \$20 and \$25 a barrel, compared with current spot market prices of well under \$15. Nigeria said Wednesday that it also supported this as a reasonable price, he said.

"We don't know yet what level the price will be at, but we should strive to stabilize prices" at around that level, Subroto said.

Meanwhile, widespread skepticism about OPEC's ability or willingness to agree on a way to stabilize markets pushed the price of

crude back below \$13 in late U.S. trading Thursday, ending a three-day recovery.

On the New York Mercantile Exchange, all contracts for future delivery of West Texas intermediate, the benchmark U.S. crude, fell their \$1 daily limit, bringing May contracts to \$13.48 a barrel.

But April contracts, which trade without limits because they are for spot delivery, fell \$1.45 a barrel from Wednesday's close, to \$12.56, after trading as high as \$14.70 earlier in the day.

Subroto said his proposal represented a compromise between three OPEC hard-liners — Iran, Libya and Algeria — who want to slash production drastically, and the Gulf states, supported by Saudi Arabia, who want to increase output further.

He said that once a fair price level was agreed on at Geneva, OPEC and non-OPEC producers that had agreed to cooperate could negotiate on the output level for each country to support prices.

Non-OPEC producers Mexico, Malaysia, Egypt, Brunei, the Soviet Union and China have said they would help to stabilize world prices, he said. Britain and Norway had not agreed, he added.

Venezuela Doubles Exports

Venezuela, the third largest U.S. foreign oil supplier, has doubled its oil exports in the past five weeks, to 1.8 million barrels a day, United Press International reported Thursday from Caracas.

UPI quoted Brigido Natera, president of Petróleos de Venezuela, the state oil company, as saying that exports would reach similar levels this week.

Currency Rates

Table with columns: Cross Rates, Other Dollar Values, and sources.

Interest Rates

Table with columns: Eurocurrency Deposits, Key Money Rates, and sources.

Asian Dollar Deposits

Table with columns: United States, U.S. Money Market Funds, and sources.

Gold

Table with columns: Gold prices in various locations and sources.

Exxon, Chevron to Slash Exploration Spending

NEW YORK — Exxon Corp., the world's largest oil company, and Chevron Corp. announced Thursday that they would slash exploration spending for 1986 by 25 percent in their capital and exploration spending for 1986 because of the oil price collapse.

Analysts have warned that budget tightening in the U.S. oil industry will decrease future energy supplies and make the United States more dependent on imported oil even though cutbacks are unavoidable in the face of falling prices.

Exxon estimated its spending worldwide would drop 26 percent to \$8 billion this year from \$10.8 billion in 1985 as the result of a recent reappraisal.

Chevron, the fifth-largest domestic oil company, headquartered in San Francisco, said its planned capital and exploratory spending is expected to decline 30 percent to \$3.5 billion from a preliminary target of \$5 billion established last fall before oil prices plunged.

In 1985, Chevron's capital and exploration outlays totaled \$4.035 billion, but the company did not have a breakdown on how much was spent in each sector.

The Exxon and Chevron moves raised industry budget cutbacks announced so far to more than \$5 billion for 1986. Oil prices have plummeted to the \$14-a-barrel range from about \$30 in mid-November.

Sweden Cuts Discount Rate

STOCKHOLM — The Swedish National Bank said Thursday that it would reduce its discount rate from 9.5 percent to 8.5 percent effective Friday, in a move encouraged by other industrialized countries and in line with earlier cuts in U.S., Japanese and West German rates.

Analysis said the cut would lower inflation and make it easier for moderate wage settlements to be hammered out in the current round of annual pay talks. Government ministers are forecasting that the inflation rate could slow to about 2 percent by the end of 1986 from 5.7 percent in 1985.

U.S. Steel Considers Action

U.S. Steel Corp. said Thursday it may take a \$260-million charge against first-quarter earnings because of the declining value of its Marathon Oil Co. subsidiary's oil and gas inventories, United Press International reported from Pittsburgh.

"During the first two months of 1986, market value of refined products declined to the extent that the cost of our oil and gas inventories exceeded net realizable value by as much as \$260 million," David M. Roderick, the company's chairman, said in a letter to shareholders on Thursday.

He added: "Should this condition be other than temporary, it would result in significant charges to the cost of our sales in the future."

Mr. Roderick said U.S. Steel expects to establish an inventory market valuation reserve for the first quarter of 1986 to reflect crude oil and refined product price reductions.

U.S. Steel earned \$409 million on sales of \$19.3 billion in 1985, which Mr. Roderick said was "no mean achievement in a year which was hardly kind to basic industry."



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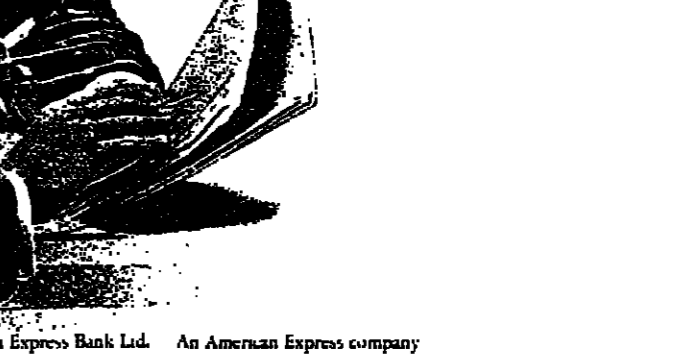
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BUSINESS ROUNDUP

Japanese Oil Refiners Plan Cutbacks

By Caroline Dalc
TOKYO — Starting in April, Japan will begin cutting its oil-refining capacity, which will eventually decrease production between 700,000 and 1 million barrels a day from the current 4.97 million barrels a day, oil-industry sources say.

Jaguar Posts Record Profit In First Year as Private Firm

LONDON — The British luxury-car maker, Jaguar PLC, denationalized by the Conservative government in 1984, said Thursday that it had notched up record pretax profits of £121.3 million (\$176.7 million) in its first year as a private company, a gain of 32.5 percent.

BHP Is Seeking A Stake in Bell

MELBOURNE — Broken Hill Pty., the huge Australian steel and mining concern, is trying to buy 10 million shares in Bell Resources Ltd. in what analysts described Thursday as a move to block Bell's partial bid for BHP.

Canada Lets G&W Keep Prentice-Hall Operation

By Christopher S. Wren
OTTAWA — The Canadian government has decided to let Gulf & Western Industries keep the Canadian operations of Prentice-Hall Inc. that G&W acquired when it bought the parent publisher in 1984.

In return, Canada's industry minister, Sinclair Stevens, said Wednesday, G&W has agreed to sell 51 percent of the smaller Canadian unit of Ginn & Co. to Canadian buyers within two years. G&W acquired Ginn, an American publisher, in June.

And Simon & Schuster, another publishing house now owned by G&W, will continue to distribute books here through Canadian-controlled distributors and will market internationally works by 10 "promising" Canadian authors a year, Mr. Stevens said.

The three Canadian operations earn about \$43 million a year, half of which comes from the Prentice-Hall unit.

The G&W accord, announced five days before Prime Minister Brian Mulroney flies to Washington for an annual meeting with President Ronald Reagan, defuses, at least temporarily, one dispute that had clouded the future of negotiations on freer trade planned between the world's two largest trading partners. The volume of that trade exceeds \$120 billion a year.

Senior Canadian officials said Ottawa wanted the opening of the trade talks kept separate from complaints in Congress about Canada's exports of low-priced softwood lumber and fish to the United States. The officials also reiterated that Canada would not put its cultural sovereignty on the negotiating table.

Canada's concern about protecting its cultural industries from foreign domination led it to challenge G&W's right to acquire publishing operations in Canada when it took over their parent publishing houses in the United States.

The cutbacks will be staggered over the next two years, the Ministry of International Trade and Industry said.

Japan's 23 oil-refining and marketing companies depend on the ministry's complicated web of production- and sales-allocation quotas to help them survive, industry sources said.

Only Japan among the advanced industrialized countries has the closest thing to a nationalized oil industry today, an official at a major international refining company said.

The new measures follow a 1983 program that cut capacity by 16 percent, or 1 million barrels a day, and encouraged mergers to reduce local competition, industry sources said.

Last year, Showa Oil Co. merged with Shell Sekiyu & Toa Oil Co. to form Showa Shell Sekiyu Co.

Maruzen Oil Co. and Dai-ichi Oil Co. will merge April 1 to become Cosmo Oil Co., and a merger between Nippon Oil Co. and Mitsubishi Oil Co. could be next.

The ministry wants to reduce the 23 refiners and distributors to seven groups, officials said.

Hiroshi Tachibana, an energy official at the Keidanren, the leading employers federation, said the industry desperately needs reorganization to help it move into the international oil market.

Oil refining has been taxed and controlled to a point where it has no confidence to face international competition, Mr. Tachibana said, adding that the ban on oil exports must also be relaxed.

The sharp drop in crude prices and the decline of the dollar against the yen has offered the industry only a brief respite, analysts said.

The sharp drop in crude prices and the decline of the dollar against the yen has offered the industry only a brief respite, analysts said.

Sales in the United States, the company's largest market, rose 10 percent while those in Europe were up 38 percent to a record, with substantial gains in West Germany, France, Austria and Spain. Canadian sales were up 27 percent. British sales the highest since 1978.

Production rose 15 percent to 38,500 cars in the year, with productivity rising to 3.8 cars per employee from 3.6 in 1984.

Firm Agrees to Provide Irish Satellite System

DUBLIN — An Irish businessman, James Stafford, and Hughes Communications Inc. said Thursday that they had agreed to provide Ireland's first satellite system, with direct broadcasting services to Ireland and Britain.

Hughes, a subsidiary of Hughes Aircraft Co., which is in turn a unit of General Motors Corp. of the United States, holds 80 percent interest and Mr. Stafford a 20 percent stake in Atlantic Satellites Ltd., the Irish company that will operate a satellite from a control center in Shannon, a joint statement said. Atlantic will now seek final government approval for the proposal.

Mr. Stafford said his government had approved the sale of Prentice-Hall because it was wrong to apply new policies retroactively, as the Liberals had done with a national energy program that forced American oil producers to sell investments in Canada.

The industry minister said that the Canadian unit of Prentice-Hall would develop and expand its publishing of Canadian books, which now account for 40 percent of its sales.

In a meeting in October in Calgary, Alberta, the U.S. secretary of state, George P. Shultz, put pressure on Canada's secretary of state for external affairs, Joe Clark, to resolve the controversy over Prentice-Hall.

BT Reports a 16% Increase In 3d-Quarter Pretax Profit

LONDON — British Telecommunications PLC said Thursday that its pretax profit in the third quarter ended Dec. 31 rose 16 percent from a year earlier, to £448 million (about \$650 million at current rates) from £386 million. Revenue rose to £2.11 billion from £1.94 billion.

BT said the third quarter results brought nine-month pretax profits to £1.3 billion, up 20 percent over the corresponding period of 1984, when it was still government-owned. The company was sold to the public in November, 1984.

BT said results for the 1985 period were hit by the strengthening of the pound against the dollar, resulting in currency-translation losses of £27 million for the period. This compared with a gain in the corresponding 1984 period of £31 million.

Revenue for the nine-month period rose 10 percent from a year earlier, to £6.1 billion, BT said.

It said U.K. domestic telephone volume grew 7 percent and international volume rose by 13 percent, slightly down on 1984's high growth figures, it said. The number of customer lines rose by 3.7 percent, to just over 21 million, it said.

BT's finance director, F.D. Perryman, said the company completed the purchase of a 51-percent stake in Canada's Mitel Corp. on March 11 for \$22 million Canadian dollars, or about \$230 million.

Mitel, a leading maker of telecommunications equipment with plants in Canada, Britain and the United States, "will be important to the international development of British Telecom," he said.

At the moment we are not pumping any more money into Mitel," he said.

British Telecom said that it would attempt to make Mitel profitable as soon as possible without jeopardizing its reputation for manufacturing high-technology telecommunications equipment.

Mitel had losses of 45 million dollars in the first three quarters of fiscal 1985, with most of the losses occurring in telephone-switching equipment and the manufacture of semiconductors.

But Mr. Perryman said BT "will have to put more money" into another new acquisition, Dialcom, a Maryland-based communications company, "and hopefully by 1988 start showing a profit."

Pan Am Asks U.S. to Act Against Texas Air

WASHINGTON Post Service
WASHINGTON — Pan American World Airways has asked the U.S. Department of Transportation to force Texas Air Corp. to reduce its holdings in Eastern Airlines, so that other bidders for Eastern might emerge.

Pan Am did not say it wants to bid for Eastern. However, in its petition Wednesday, it said that Texas Air's acquisition of 31 percent of Eastern's stock is an "illegal course of conduct" designed to have "a chilling effect on other carriers potentially interested in acquiring Eastern."

Texas Air should own no more than 10 percent of Eastern's stock, and should be barred from voting its Eastern shares until the DOT rules on the proposed merger, Pan Am said.

Frank Lorenzo, president of Texas Air, said Wednesday that Eastern shareholders are free to sell their shares to other bidders.

Mr. Lorenzo declined to comment on Pan Am's petition. However, he said that "the folks who brought you New York Air aren't going to create a monopoly," in the East Coast corridor where Eastern and Mr. Lorenzo's New York Air are two of the dominant competitors.

Some critics are concerned that the merger of Eastern and New York Air would reduce competition significantly in the Washington-New York-Boston market. The Justice Department told the Transportation Department earlier this week that Texas Air may gain effective control of Eastern before Transportation has ruled on the merger.

Eastern's unions, led by the International Association of Machinists and Aerospace Workers, dislike Mr. Lorenzo's tough anti-labor policies at New York Air and Continental Airlines and are seeking bidders to challenge him.

European Airlines See 6.1% Traffic Growth

BRUSSELS — Traffic on European air carriers' international routes is expected to grow by 6.1 percent in 1986, the Association of European Airlines said Thursday. It also said it expected capacity among its 20 European members to rise by 6.3 percent.

Such a trend adds credence to an earlier forecast from the AEA of a collective net profit approaching \$1 billion for (AEA) members in 1986," the AEA concluded in a statement.

Philips Petroleum Co. said that six of its subsidiaries, five in Europe and one in South Africa, have agreed to sell their carbon-black businesses to Degussa AG, a West German precious-metals, chemicals and pharmaceuticals company. Carbon black is a reinforcing agent used in tires and other rubber products.

Regent Air, the all-frills American airline that has lost about \$36 million in its three years in operation, is under investigation for alleged misleading advertising and possible securities violations, California state officials said. The carrier also was ordered by a New York judge to halt all ticket sales and to rescind reservations already made for flights to Hawaii it had hoped to begin next month.

Rocoh Co. of Japan said it plans to open a British factory to make reproduction machinery for sale in Britain and Europe. The £10-million (\$14.7-million) plant, in Telford in the Midlands, is set to begin operations in May.

Worms International Ltd., the Australian fire protection and security group, said its earned 13.9 million Australian dollars (\$9.8 million) in the first half ended Dec. 31, up 20.3 percent from the year-earlier period.

Nissan Motor Co. has presented its 1987 versions of the Sentra, Stanza and Maxima models, which make up more than 60 percent of its U.S. car sales. The new models will be priced an average of 6.3 percent more than comparable 1986 models.

Control Data Corp. has signed an agreement to make advanced mainframe computers in India. The venture, in which India will pay Control Data \$9.5 million for the technology transfer and a 5-percent royalty on sales, could eventually be worth \$500 million to the big U.S. computer maker.

Elders DXL Ltd., the Australian wool, brewing and financial services company, said it will pursue its £1.8-billion (\$2.6-billion) hostile bid for Allied-Lyons PLC despite the Wednesday sale of its 6-percent stake in the British food and beverage company.

Rank Organisation PLC's £740-million (\$1.1-billion) bid for Granada Group PLC was blocked by Britain's High Court Thursday, which upheld a ruling by the Independent Broadcasting Authority against the offer. A spokesman, however, said Rank would continue its effort.

Nissan Motor Co. has presented its 1987 versions of the Sentra, Stanza and Maxima models, which make up more than 60 percent of its U.S. car sales. The new models will be priced an average of 6.3 percent more than comparable 1986 models.

BUSINESS PEOPLE

Seibu Unit Opens Office in Paris

By Brenda Erdmann
International Herald Tribune

LONDON — Seibu International, the subsidiary of the companies within the Seibu Saison Group of Japan that is in charge of developing and coordinating international business, has opened a representative office in Paris.

The new office, which will be headed by Dominique Baigueres and Kuniko Tsutsumi, is the first of two that Seibu International plans to open outside of Japan. The other office, to be opened sometime this summer, will be in New York.

Seibu International said the new offices will promote business relationships between Europe and Japan and North America and Japan.

Mr. Baigueres joins Seibu International after having spent 15 years with Paribas. Mrs. Tsutsumi is the sister of the chairman of the Seibu Saison Group, Seiji Tsutsumi.

The Seibu Saison Group originally was made up of the Seibu department stores and the Seibu supermarket chains. Its recent diversification has led to the development of such new activities as finance, insurance, real estate, urban development, aircraft import and air transportation, leisure industries, food and restaurant chains. Within the group there are about 100 companies.

Morgan Grenfell & Co., the London-based merchant bank, has named Jean-Pierre Souvion president-director general of its French subsidiary, Morgan Grenfell France SA. Mr. Souvion had a distinguished career in the French civil service that culminated in his appointment in 1978 as directeur general de l'Industrie. In 1982, he became director delegue of the Matra group, a diversified French electronics company.

Novo Industri A/S, the Danish biotechnology concern, said Henning B. Dyrremose, vice president of marketing in its enzymes division, has been appointed secretary of labor affairs for Denmark. Erik Sorensen, executive vice president of the enzymes division, will, on an interim basis, also take over responsibility for the division's marketing activities.

Barclays Bank PLC has named Bill Keatinge general manager in the Netherlands, succeeding Michael Philipse, who has left the bank. Mr. Keatinge moves to Amsterdam from London, where he

To Our Readers

Please send information about management changes to: Business People International Herald Tribune Room 501-S Bracken House 10 Cannon Street London EC4P 4BY England Telex 262009 (IHTLON)

He previously was director for those countries and will continue to be based in Singapore. Also, Olaf Bonde has been named senior vice president for central Europe and the eastern Mediterranean. Mr. Bonde, who is based in Brussels, previously was vice president for those regions.

Olivetti SpA has named Hermann Hauser as director of advanced research and development, effective from May. He will remain a director of Acorn Computer, the British computer maker that is controlled by Olivetti, and will continue to contribute to Acorn's research and development.

Toronto-Dominion Bank has named David Ross general manager of its Europe, Middle East and Africa division, based in London. He succeeds Carl Malmesus, who has been appointed general manager, corporate-banking division, at the bank's head office in Toronto. Mr. Ross previously was in charge of the bank's Chicago office.

Carré, Orban & Partners has appointed Luigi Di Paola as a partner in its Brussels office. For the past eight years, Mr. Di Paola has been director of staffing for ITT Europe in Brussels. Carré, Orban & Partners, with headquarters in Brussels, is an international-management consulting firm. In his new post, Mr. Di Paola will be responsible for international corporate clients.

was a corporate-finance director of the bank.

Royal Bank of Canada has opened its first office in Italy. The new operation, which will focus on increasing trade-related business between Canada and Italy, is based in Milan and is headed by Joe Moccia, who serves as representative for Italy.

Mandarin Oriental Hotel Co., a unit of Hongkong Land Co., said Eric Waterhouse is to retire at year-end as its managing director and that from June 2, he will be succeeded as managing director by Peter Tyrre. Mr. Tyrre currently is managing director of Geneagels Hotels PLC, a unit of Arthur Bell & Sons.

Hilton International Co., the hotel chain owned by Transworld Corp., said Oskar von Kretschmann has been elected vice president for Indonesia, Malaysia, Singapore, Sri Lanka and Thailand.

PREQUALIFICATION NOTICE CONSTRUCTION OF KHAMANE-OXBOW ROAD KINGDOM OF LESOTHO

The Government of the Kingdom of Lesotho has applied for Financial Assistance from the African Development Fund (ADF) to finance the construction of the Khamane-Oxbow Road in northeastern part of Lesotho. The project road is approximately 22 kilometers in length and the works comprise of new construction and improvements to the existing road to a bitumen surface standard with roadway width, inclusive of shoulders, from 6 meters to 8 meters.

- The scope of the Works is as follows: a) Excavation and filling of ordinary and rock material; b) Construction of drainage structures including arches, culverts and drains; c) Winning, hauling, placing and compacting selected subgrade, subbase and base course material; d) Cape seal surface treatment of minimum width of 5.5 meters extending for the total length of the road; e) The erection of guard rails, traffic signs and ancillary works.

Participation in the bidding is open to contracting firms from all participant states of the African Development Fund and member countries of the African Development Bank. Invitations for Tenders are expected to be issued in July 1986. All contracting firms wishing to be prequalified for participation in the bidding for the above project are invited to submit completed prequalification questionnaires to the address below not later than May 1st, 1986.

The Principal Secretary Ministry of Works P.O. Box 20 Maseru 100 Lesotho (Southern Africa).

Chief Roads Engineer Ministry of Works P.O. Box 194 Maseru 100 Lesotho (Southern Africa). Telex No. 4258 LO (alternate Telex No. 4251 LO).

INTERNATIONAL REAL ESTATE

Island of MYKONOS Greek Aegean Villa for sale Overlooking harbour superb panoramic views Modern villa circa 1960 comprising: Lounge - Dining Room - Kitchen - Maid's or Spare Bedroom - Shower Room. First floor: Large open Patio overlooking harbour - Main Bedroom - Bathroom - 2 further Bedrooms. Site area: 3,200 sq.m. Electricity and oil-fired central heating Price: \$170,000

S.Fr. 300,000 Verocin, Central Valais, Switzerland. Summer and winter resort. Sold directly by owner. Chalet; living-room with fireplace, kitchen, toilet, bathroom, 4 bedrooms, mezzanine, 800 m² land.

SMITH MELZACK 17/18 Old Bond Street, London W1X 3DA Tel: 01-493 1613

SO. FLORIDA OPPORTUNITIES • Boca Raton three parcels from 5 to 20 ac. near hospital and growth. • Ft. Lauderdale site for 20 to 1,500 sq. ft. available for guest homes w/development. • Boca Raton site for new office building. • Boca Raton shopping area. • Site on the semi-attached waterfront overlooking the town of Palm Beach for 120 luxury rentals apt. • Custom portfolio of diversified investments interconnected w/real estate to produce a return as a California 93711 U.S.A. • Up to 75% possible financing available. For these and other types of real estate at a fraction of a California 93711 U.S.A. price contact M.R. Parry, Broker-Associate 225222 REALTY INC. Commercial Division 33 S.E. Fourth St., Boca Raton, FLA. 33432 Tel: 305-368-2000, 741-6130

Own land in the great American West Five or more acres of this land can be yours. Easy credit terms available Here's an outstanding opportunity to acquire a sizable piece of America's ranchland at a very modest cost. Sangre de Cristo Ranches Inc., the land development subsidiary of FORBES MAGAZINE, the American financial publication, is now offering for sale scenic ranchland in Colorado's Rocky Mountains. Spectacular land for a homesite and a lifetime of appreciation. Minimum 5-acre ranch sites starting at \$4,500 Send today for fact kit and full color brochure

HIGH QUALITY VINEYARD IN CALIFORNIA FOR SALE 55.35 Acres (22.4 hectares) in San Luis Obispo county, north of Paso Robles, CA. Highest awards for Zinfandel, Merlot and Chardonnay. US \$2870,000, cash return offer. Complete brochure & necessary to fully appreciate this opportunity. Huber Farm Service of California Inc. 2517 West Show Avenue, Suite 101 Fresno, California 93711 U.S.A. Tel: (U.S.A.) (209) 226-5715. Tel: (USA) 176 847 or our office in Switzerland Huber Transworld AG Lavesstrasse 10, CH-4002 BIRCHHOLM Tel: (0041) 1 202 91 77 72, 54621

FORBES EUROPE SANGRE DE CRISTO RANCHES INC. P.O. BOX 86, Dept. INT LONDON SW11 3UT ENGLAND Name Address

1141 PARK AVE. NEW YORK CORNER 91st STREET Four story townhouse. Newly renovated. Major capital improvements. Three spacious residential units and two professional office spaces. One three-bedroom triplex with penthouse and one professional office duplex, delivered vacant. Price: \$2 million. Corporate Advisory Services Contact: Mr. Hittman, 212 575-3431.

All of these securities having been sold, this announcement appears as a matter of record only. \$135,000,000 Banner Industries, Inc. \$60,000,000 12 1/4% Senior Subordinated Notes due 1996 \$75,000,000 13 1/2% Subordinated Debentures due 2006 Drexel Burnham Lambert INCORPORATED March, 1986

**Thursdays AMEX Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
27 1/2	27 1/2	ADN	0.00	27 1/2	27 1/2	0
1 1/2	1 1/2	AL	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AM	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

12 Month High	Low	Stock	Div. Yld. PE	52 High	Low	Change
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0
1 1/2	1 1/2	AMT	0.00	1 1/2	1 1/2	0

**Floating-Rate Notes**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**Pounds Sterling**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**Japanese Yen**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**Canadian Dollars**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**Deutsche Marks**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**E.C.U.**

Issuer/Mat.	Coupon	Next	Bid	Ask
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2
Alford Int'l	8 1/2	12/15/86	94 1/2	95 1/2

**INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 13 March 1986**

Fund Name	Price	Fund Name	Price
ALMA MANAGEMENT	10.12	ALMA MANAGEMENT	10.12
ALMA MANAGEMENT	10.12	ALMA MANAGEMENT	10.12
ALMA MANAGEMENT	10.12	ALMA MANAGEMENT	10.12
ALMA MANAGEMENT	10.12	ALMA MANAGEMENT	10.12
ALMA MANAGEMENT	10.12	ALMA MANAGEMENT	10.12

**AMEX High-Lows**

Stock	High	Low	Change
AMT	1 1/2	1 1/2	0
AMT	1 1/2	1 1/2	0
AMT	1 1/2	1 1/2	0
AMT	1 1/2	1 1/2	0
AMT	1 1/2	1 1/2	0

**Yugoslav Airline Buys 3 Jets**

**BELGRADE** — Yugoslavia's national airline, JAT, said Thursday that it will buy three Boeing 737-300 aircraft for delivery at the end of 1986, at an undisclosed price. JAT said a \$300 million dollar credit agreement covering the transaction, including purchase of related equipment, was signed with Citibank N.A. of New York last month.

**U.K. Trebles China Loan**

**LONDON** — Britain has increased the size of an earlier trade loan to China to \$300 million (about \$450 million) from £100 million. The loan, granted in November to enable China to purchase British goods, is for 20 years with a five-year grace period and carries an interest rate of 5 percent.

**European Businessmen Predict Growth of 3%**

**BRUSSELS** — Business leaders expect economic growth of 3 percent in Western Europe this year, up from 2 percent in 1985, the association of European industrial chambers of commerce reported here Thursday.

Citing a survey of more than 600 chambers of commerce and industry, Eurochambers said the expected improvement would reflect a limited recovery in private consumption, a deceleration in prices as a result of a weaker dollar and lower oil rates and sustained corporate investment.

In 1985, the volume of Western European exports rose 1 percent, according to Eurochambers, which said that this year's export volume should taper off. Trade among members of the European Community, however, is expected to increase.

*John L. ...*

**Seize the world.**

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John in 100

Fate of U.S. Steel Industry Rests on Negotiations

(Continued from Page 13) ... and a high degree of union participation in management decision-making. Industry observers predict that the union will agree to wage and benefit cuts of roughly \$2 to \$4 per year, particularly in the cases of the big money-losers — LTV Steel Corp. and Bethlehem Steel Corp.

Mr. Roderick also attacked the union's two-tier bargaining stance of offering special concessions to the weaker firms. "It's very essential we get a competitive wage and salary structure. We can't begin to have one or two competitors in some sweatedheart arrangement and expect our employees to be sacrificed to the unemployment lines," he said. "We won't tolerate that."

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U.S. Retail Sales Decrease 0.1%

WASHINGTON — U.S. retail sales slipped 0.1 percent in February as gasoline prices fell and consumers cut back sharply on car buying, the Commerce Department said Thursday. Total sales for the month, adjusted for seasonal variations, slipped to \$117.27 billion from January's \$117.36 billion.

CURRENCY MARKETS

Dollar Gains Trimmed in U.S. Trade

NEW YORK — The dollar closed firmer in patchy U.S. and European trading Thursday, but still well below the day's highs. Dealers said the currency pushed through the 2.30-Denmark mark level on heavy short-covering after the U.S. Commerce Department reported better-than-expected retail sales for February.

Table with 2 columns: Country, Rate. Includes Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

2.2858 DM, up slightly from 2.2838 there on Wednesday; at 179.30 yen, down from 180.25; at 7.0330 French francs, up from 7.0300, and at 1.9295 Swiss francs, down from 1.9315.

FDIC Problem List Includes Big Banks, Says Chairman

WASHINGTON — William Seidman, chairman of the Federal Deposit Insurance Corp., acknowledged Thursday that several large U.S. banks are included on the agency's "problem" list of 1,196 institutions. He told the Senate Banking Committee that inclusion on the list does not mean that a bank will fail. Only about 10 percent actually do, he said.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table with columns for Australia, Britain/Neth., Sweden, Switzerland, United States, South Africa. Lists companies like Coltes Myer, Royal Dutch/Shell, Sandvik, Nestle, K Mart, etc.

GM System Uses Carriers

(Continued from Page 13) parts on a car, one by one, a whole module — such as an instrument panel — will be built off the line and installed only if it passes the tests. Since a carrier can be programmed to stop and go as needed, it could roll to the complex instrument panels and then stop to ease the installation.

THE EUROMARKETS

Bonds Close Lower as Profit-Taking Spreads

LONDON — Eurobonds generally closed lower Thursday as the profit-taking that began Wednesday in the dollar sector spread to other currencies, dealers said. As fixed-rate Eurodollar bonds fell by about 1/4 point, dealers said, domestic bonds continued to discourage potential borrowers but still were not attracting significant investor demand.

Dealers said investors are attracted to the sector because of the currency's relative stability, especially as many European and Japanese investors are concerned that the dollar may be ready to ease. "Most of the international investor's interest in dollar bonds these days is in the U.S. Treasury market," said one syndicate manager.

STUTTGART — Daimler-Benz AG said Thursday it will increase production of its 90 model in its Bremen plant this year and will transfer production of its SL sports cars there in 1988.

Large table titled 'Thursday's OTC Prices' listing various stocks and their prices.

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 3 P.M. C/P. Lists various stocks like ABB, ABB, etc.

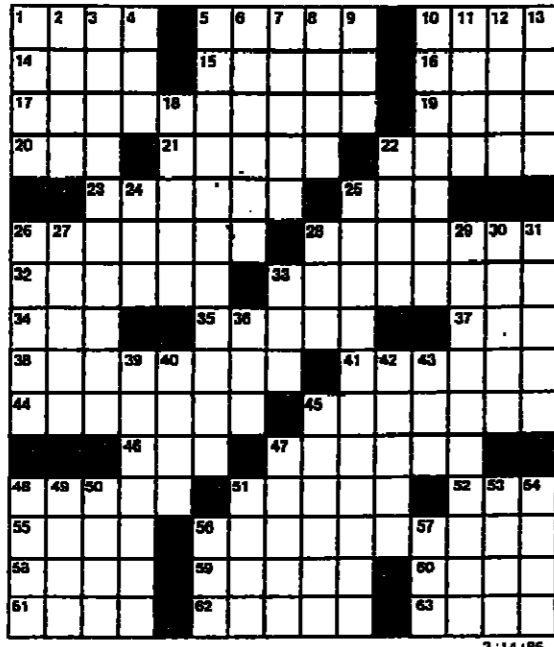
Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 3 P.M. C/P. Lists various stocks like ABB, ABB, etc.

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 3 P.M. C/P. Lists various stocks like ABB, ABB, etc.

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 3 P.M. C/P. Lists various stocks like ABB, ABB, etc.

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 3 P.M. C/P. Lists various stocks like ABB, ABB, etc.

Seize the world



**ACROSS**

1 Philippine  
5 Small drum  
10 Register  
14 Toward the mouth  
15 Silly  
16 Countertenor  
17 Pompous official  
19 Kempt  
20 Atl. Coast time  
21 Encompasses  
22 Sceptor  
23 Horrific  
25 Hawaiian food  
26 A cracker  
28 Starring salary, e.g.  
32 ——— Maxima (early Roman sewer)  
33 Comprehensive view  
34 Str.  
35 Borders of contrasting colors  
37 A grandfather of Saul  
38 Roofing materials  
41 Maddened  
44 Makes certain  
45 They stay put  
46 Reddish brown  
47 Former S.  
48 African statesman  
49 Lively outing

**DOWN**

1 Slangy negative  
2 Cleopatra attendant  
3 Outdated men's wear  
4 Staff asst.  
5 Gershwin's stamping ground  
6 "Cakes," 1897 Maugham work  
7 Rural sights  
8 Responsibility  
9 Sleep stage  
10 Wicker basket  
11 Bread spread  
12 A fourth-day creation  
13 Lug  
18 Molded salad  
22 Mediocre  
24 School-related org.  
25 Emergency-response activator  
26 Shaft of a column  
27 Siberian river  
28 "Ballads"; Gilbert  
29 Mechanized German army group  
30 Eastern bigwig  
31 Sack and freight followers  
33 Disraeli and Gladstone: Abbr.  
36 Plural ending  
39 Baking utensil  
40 Dies  
42 Accurate  
43 He wrote  
44 "Pink March"; 1897  
45 Francis from Boston  
47 Medicinal gums  
48 Rebuff  
49 Corn bread  
50 Surf sound  
51 Starry starry rootstock  
53 Lament, Irish style  
54 This, in Toledo  
56 Burst  
57 Moody

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PEANUTS



BLONDIE



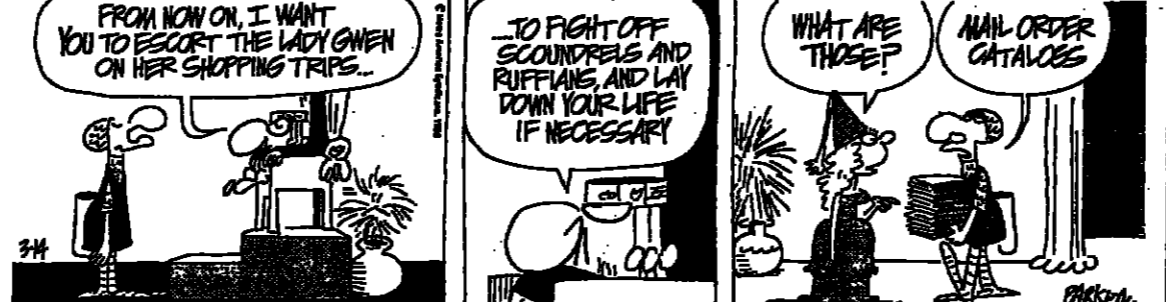
BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE



WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	12	10	Bangkok	28	24
Amsterdam	12	10	Beijing	12	5
Barcelona	15	12	Bombay	28	24
Berlin	12	10	Calcutta	28	24
Bombay	28	24	Hankow	12	5
Buenos Aires	12	10	Hong Kong	28	24
Calcutta	28	24	Kobe	12	10
Cardenas	12	10	London	12	10
Chennai	28	24	Manila	28	24
Colon	12	10	Osaka	12	10
Dacca	28	24	Seoul	12	10
Dhaka	28	24	Taipei	12	10
Hankow	12	10	Tokyo	12	10
Hong Kong	28	24	Yokohama	12	10
Kobe	12	10			
London	12	10			
Manila	28	24			
Osaka	12	10			
Seoul	12	10			
Taipei	12	10			
Tokyo	12	10			
Yokohama	12	10			

World Stock Markets

Market	Index	Change	Market	Index	Change
Amsterdam	325.50	+2.50	London	2790.00	+10.00
Bombay	1250.00	+10.00	Manila	1250.00	+10.00
Calcutta	1250.00	+10.00	Osaka	1250.00	+10.00
Colon	1250.00	+10.00	Seoul	1250.00	+10.00
Dacca	1250.00	+10.00	Taipei	1250.00	+10.00
Dhaka	1250.00	+10.00	Tokyo	1250.00	+10.00
Hankow	1250.00	+10.00	Yokohama	1250.00	+10.00
Hong Kong	1250.00	+10.00			
Kobe	1250.00	+10.00			
London	1250.00	+10.00			
Manila	1250.00	+10.00			
Osaka	1250.00	+10.00			
Seoul	1250.00	+10.00			
Taipei	1250.00	+10.00			
Tokyo	1250.00	+10.00			
Yokohama	1250.00	+10.00			

BOOKS

**THE RANDLORDS**  
By Geoffrey Wheatcroft. 314 pages. Illustrated. \$17.95.  
Atheneum, 597 Fifth Avenue, New York, N.Y. 10017.  
By John Gross

ONE of the comest changes that the triumph of the bourgeoisie brought with it in the 19th century was — relatively speaking — the democratization of diamonds. Where they had once been the prerogative of the very rich, in Europe and North America they became a familiar object of middle-class desire (the diamond engagement ring above all), and by mid-century potential demand had far outstripped the supply.

Then, one day in 1866, an Afrikaans farmer in a remote inland region of South Africa noticed his neighbor's children playing a game with pebbles called "klip-klip." One of the stones caught his fancy; he took it away and sent it to a geologist, who identified it as a diamond. For a year or two there was skepticism about the significance of the find, but in 1869 a shepherd found a much larger gem, and the diamond diggers began to make their way toward the area. By 1871, after a series of lesser strikes, they had discovered the fabulous deposits at a site originally known as New Rush but soon given the more dignified name of Kimberley, after the British colonial secretary.

In the 1860s, South Africa was a dusty and neglected corner of the world — remote, impoverished, sparsely populated. The British held the colony primarily to safeguard the sea route to India; the pastoral republics of the Transvaal and the Orange Free State, established by the Boers after their Great Trek inland in the 1830s, were scarcely states in the modern sense. In between lay a jumble of makeshift territories.

The diamond diggings transformed everything. Not only did Kimberley rapidly develop into an industrial town hooked into the world economy, it provided the capital and the leadership used to start the big mining groups in Johannesburg when gold was found on the Rand in the 1880s. As Geoffrey Wheatcroft observes in "The Randlords," there is "almost poetic congruence" in the fact that it should have been drilled tapped with industrial diamonds that the main reef on the Rand in 1893, ensuring the region's future and enabling South Africa to become the world's leading gold producer.

Thousands of adventurers flocked to Kim-

berley, but the technical and financial pressures for amalgamation were inexorable, and within a few years a handful of men were in control — essentially the same group who went on to dominate the gold fields. "The Randlords" is their story, and a very compelling story it makes in Wheatcroft's hands. He writes vigorously, entertainingly and lucidly (no small thing, this last, given some of the complications and intrigues he has to unravel); he refrains from obvious moralizing, but brings home sharply the human toll exacted by these men's success, and the sorry part they played in shaping South Africa's subsequent history.

His rogues' gallery includes a richly assorted range of social types: Cecil Rhodes, the viceroy, putting himself through Oxford while ready a millionaire and a rising politician, dreaming incoherent dreams about Anglo-Sax on world supremacy; his close ally, the adroit, subtle, neurotically shy Alfred Beit from Hamburg — what did such men have in common with the Barnatos and their cousins the Jocks, rough and raffish types who had begun working in a pub in the East End of London? Quite a lot, as it turned out.

Along with Beit, there was an elaborate German connection, many of its members Jewish (though not all of them, as was often assumed) — Julius Wernher and Hermann Eckstein, two of the most prominent, were Protestants. Then there was Joseph Robinson, born in South Africa, the only Randlord for whom nobody apart from his hired toadies ever seems to have had a good word.

Wheatcroft has some colorful stories to tell about the Randlords' extravagant and unscrupulous ways. For sheer animal spirit the prize must go to Barney Barnato, the amateur prizefighter, small-time vandyville performer and would-be actor, whose simple but not unwise philosophy was "If a man is going to hit you, hit him first, and then say, 'If you try that, I'll hit you again.'" Barnato, a legendary pioneer of illicit diamond buying, built a vast mansion in Mayfair and got the Lord Mayor of London to give a lavish banquet for him. At age 44 he began to suffer delusions — his wife found him trying to claw imaginary diamonds off the walls — and shortly afterward committed suicide by jumping off a liner.

"Beautiful, beautiful Barney" as a music hall song of the day styled him, was no gentleman, but his stock-market juggling looks at most venial in comparison with the large-scale skulduggery of Cecil Rhodes. Wheatcroft gives a good, succinct account of the part Rhodes played in precipitating the Boer War, and reminds us that as prime minister of Cape Colony, Rhodes was responsible for introducing the brutally racist Master and Servant Bill, and that it was under his protégé Dr. Jameson that in 1905 primary education in the colony was subjected to what Wheatcroft terms "proto-apartheid."

But the future shape of race relations in an industrialized South Africa had already become clear by the 1880s — a strict color bar was being enforced on the diamond fields, and black workers were being compelled to live in compounds, carry pass books and undergo searches, often of the most humiliating kind. If the buccaneering figures in the foreground of "The Randlords" are caught up in an exuberant melodrama, in the background one can repeatedly glimpse a tragedy in the making.

John Gross is on the staff of *The New York Times*.

Solution to Previous Puzzle

CLAD	ETES	TRI
RUDE	ARENA	SWAT
ALEC	MADAM	PIKE
BUSINESSMANAGER		
DIN	RUN	
TACET	PLAINNESS	
AMO	ENLIST	ECTO
MATERIALHANDLER		
ETON	SILENE	ALE
DISTASTES	MATES	
RYE	OIL	
ACCOUNTINGCLERK		
CHOP	HONOR	IRAE
HOLY	UNDUE	ESTE
EWWE	TEEN	SEEN

BRIDGE

By Alan Truscott

ON the diagrammed deal, West produced a highly imaginative lead against a four-spade contract. South's artificial two-club opening was clearly overrecessive.

One might expect the lead of the heart ace, because that suit had been raised by East. The contract would have then been virtually unbeatable. It would take an improbable shift to a low diamond to allow the defense to prevail. Otherwise, South can ruff a heart, clear trumps and use dummy's clubs.

Instead, West led the club six, an unusual selection that proved devastating. Dummy played the ten, and East saw no reason to play the jack. South allowed the ten to win and could now have succeeded by finessing in trumps and maneuvering a heart ruff. Instead, he played a heart at once and eventually lost two diamond tricks and a trump trick as well as a heart.

An alternative winning line, as it happens, was to win the first trick in the closed hand, preserve communication with the dummy, and lead the queen or jack of spades.

North (D)	West	East	South
♠ 5 4 3	♠ 10 8 7 6 5 4 3 2	♠ K 7 6 5	♠ A Q J 8 6
♥ 8 7 6 5 4 3 2	♥ A 10 9 8 7 6 5 4 3 2	♥ K Q J	♥ 10 9 8 7 6 5 4 3 2
♦ 8 7 6 5 4 3 2	♦ A 10 9 8 7 6 5 4 3 2	♦ K Q J	♦ 10 9 8 7 6 5 4 3 2
♣ 8 7 6 5 4 3 2	♣ A 10 9 8 7 6 5 4 3 2	♣ K Q J	♣ 10 9 8 7 6 5 4 3 2

Plants have fed the world and cured its ills since life began. Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's life. Plants protect soils from erosion, regulate the atmosphere, maintain water supplies and prevent deserts forming. Without plants man could not survive.

Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute — making a crisis for ourselves and a bigger one for our children.

What can be done about it? A practical international plan conservation programme is now well under way all around the world. It is a plan for survival which you can help make a reality by joining the World Wildlife Fund.

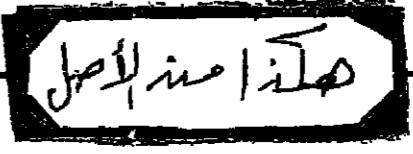
We need your voice and financial support. So get in touch with your local WWF office, or send your contribution direct to the World Wildlife Fund at: Secretary, World Conservation Centre, 110, Gland, Switzerland.

Save the plants that save us. WWF FOR WORLD CONSERVATION

To Our Readers

Canadian stock market quotations were not available in this edition because of transmission problems.

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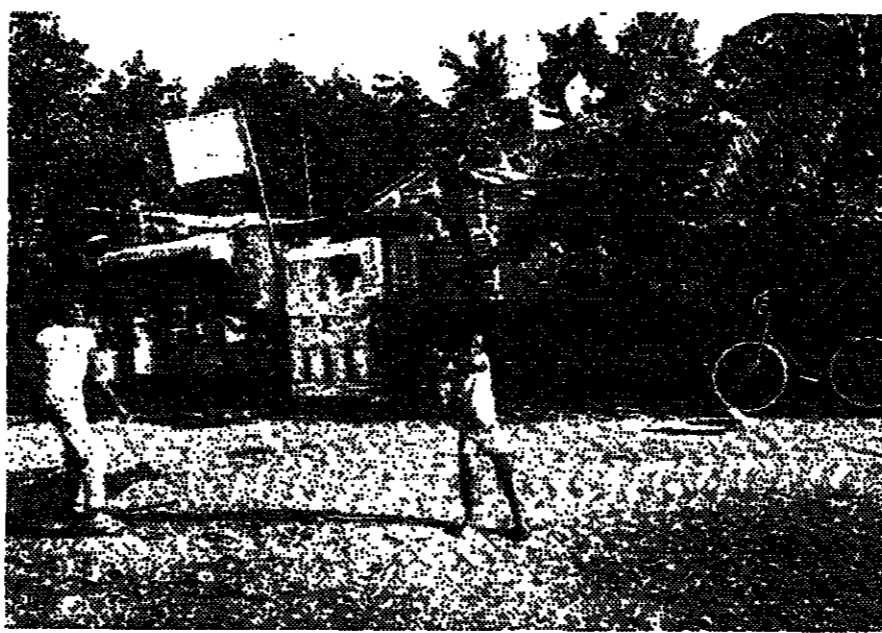
SPORTS

Dominican Republic's Baseball Boom Has Many Winners, More Losers

By Bill Brubaker

WASHINGTON POST SERVICE
SANTO DOMINGO, Dominican Republic
When Hurricane David struck this Caribbean...

of baseball talent in Latin America. There were 47 Dominicans on the winter major-league rosters...



The next generation hones its baseball skills in the streets of San Pedro de Macoris, which was represented in the major leagues last season by 14 players.

"At first," said Reynaldo (Papi) Bisno, the commissioner of professional baseball in the Dominican Republic...

league commissioner's office voiced no objections to the hiring of 14- and 15-year-olds...

identified, said, "If this decree gives me any problems, I'll just take the Dominican players across the border to Haiti and sign 'em up there..."

"But they'll know this is going to work out when they sign a kid, bring him to the airport, and he won't be allowed out of the country because he doesn't have the approval of this office..."

Home Teams Win in NIT Kings Break a Record In Worst Sort of Way

Compiled by Our Staff From Dispatches
NEW YORK — Two upstarts, Neese State and Southwest Missouri State...

Los Angeles Times Service
INGLEWOOD, California — In the National Hockey League contest between bad and basest, the worst won out Wednesday night...

NHL FOCUS

said Wednesday he was through with hockey this season and maybe forever, The New York Times reported. Pavelich, 28, the center who for most of the last five seasons has been the Rangers' most reliable all-around player...



HEADY PLAY — Hans-Peter Briegel, who already had scored, passed the ball past Brazil's Edson and Mozer to West German teammate Karl Heinz Runnenigge during a World Cup warm-up match in Frankfurt on Wednesday night...

Bears, Cowboys Set To Play in London

The Associated Press
RANCHO MIRAGE, California — The Chicago Bears and Dallas Cowboys will play Aug. 3 in Wembley Stadium in an exhibition game...

Jets and Los Angeles Rams, were interested in playing in London but were bypassed in favor of the Cowboys and the Bears. Georgia Frontiere, owner of the Rams, said she was "angry at this decision..."

SCOREBOARD

Table with columns for Eastern Conference, Western Conference, and National Basketball Association Standings.

Hockey

Table with columns for National Hockey League Standings, WALE'S CONFERENCE, and CAMPBELL CONFERENCE.

Transition

Table listing various sports events and transitions, including Baseball, Football, Soccer, and Hockey.

SPORTS BRIEFS

Jordan Overrules Bulls, Will Play
SKOKIE, Illinois (AP) — Michael Jordan, the Chicago Bulls' guard, will play his first NBA game Saturday night after a four and one-half month layoff with a broken foot bone...

Steinbrenner Tells Griffey: 'Shut Up'

FORT LAUDERDALE, Florida (AP) — The New York Yankees' principal owner, George Steinbrenner, reacted Wednesday night to Ken Griffey's latest demand to be traded by saying that "nobody wants" the player...

Bus Driver Foils Birmingham Fans

LEICESTER, England (AFP) — Police plans to get Birmingham soccer fans out of town Wednesday night mistimed when 60 defied a police escort and wrecked a bus taking them to the railway station...

Advertisement for Gramma Buccellati watches, featuring images of several watch faces and the brand name.

